Featuring Food Industries

THE FINANCIAL POST

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The Nation's Business

Guthrie Talked Sense in Campaign
Berlin as New Capital of Europe
Germany Plays to England
Where King is Weak
Real Issues at Stake

IF THE new Conservative leader, Hon. Hugh Guthrie, proves as sound in his policies in the House as he was in his speeches during the campaign, his selection cannot but be profitable to his Party and to the country.

It was noted throughout the campaign that he appeared to be the one man among all the Conservative speakers who persistently clung to the Customs exposures, which were the real cause of the election and the one big hope of the Conservatives. And he handled it in such a way as to convince, without offending his hearers and newspaper readers of the widespread criminal conditions which could only be remedied by a change of administration. He avoided petty politics and appealed in a big way to the fairness and commonsense of the voters.

His was a policy which won the respect of his hearers wherever he spoke. If the Conservatives generally had followed this policy and made the cleaning up of the Customs mess and assurances of honest administration and lower taxes in the future, their main appeal, with national economy and tax reduction as extras, the results would probably have been entirely different.

* * *

THE most important development of the week has been the efforts of the Germans to draw Britain into the continental line-up—the United States of Europe with Berlin as the capital and free trade as they have it within Canada and the U. S. of America. This is not a pleasing outlook for Canadian producers. The leaders in the movement, of whose ultimate success as far as Central Europe and Russia are concerned there is now no doubt, assert they will become self-contained, growing all their own wheat and other products. Both France and Germany are now working under Governmental direction to that end. A reorganized Russia under German direction will become the chief competitor of Western Canada, an objective frankly admitted by the late Czar to a U. S. business leader many years ago.

Immediately after, if not before, the war's end, the organization by Germany of the United States of Europe was begun. She had Russia and the old Austro-Hungarian empire in her control and with the aid of Locheur, the French industrialist, and others and by the spread of propaganda, especially anti-British and anti-American, she was not long in swinging sentiment through France to her views. The view that a peaceful union with Germany was for France the soundest policy—it meant that or a new war, and France with her 30,000,000 and no allies had no chance with Germany and her 90,000,000 and American-British sympathy. The British Empire, United States and China-Japan were to be her only competitors. German propaganda through her agents, the Soviets, was set in force to break up the Empire, which was expected to be an easy task, as the Mother Country was already decadent. But the loyalty and far-seeing statesmanship of the business men and of labor leaders like Gompers and Green in the U. S. and Moore in Canada, and of others in the Overseas Dominions effectually blocked this plot. In consequence the effort to detach the Dominions from the Mother Country has been abandoned and is now being exerted to detach Britain from the colonies by bringing her into the U. S. of Europe.

It is very significant that the British representatives at the British-German industrialists conference last week in England are men who have long been known to have German alliances, and that a representative of the same crowd was very busy in Ottawa prior to the sailing of the Canadian Premier for the Imperial Conference. Also it is a fact that this year a terrific anti-American, anti-Canadian campaign has been carried on in the Old Country mainly among the masses.

* * *

WHAT will be the outcome? Suppose England joins the new German-French Empire, shall we call it, with free trade among themselves and a high tariff against us, where will we and the United States find our markets? England, by the way, is to be the world's financier under the scheme which appeals to the big money pools there. There are many angles to the situation, but the outstanding fact is that the future of Canada's prosperity and the development of the Empire as a great, self-contained business unit—the commonwealth of free nations—on the lines that have made the U.S. of America so great—is in the balance.

If Mr. King, as seems likely, keeps

(Continued on page 16)

PRICE BROTHERS COMMENCE WORK ON RIVERBEND MILL

Timber Limits Enlarged to Take Care of Supplies For Some Years

MORE DEVELOPMENTS

New Additions Will Give the Company Newsprint Output of 900 Tons Daily

By RIELLE THOMSON,
Eastern Editor, The Financial Post.

QUEBEC, QUE.—Work has started on an extension to the Riverbend Mill of Price Brothers & Company. The addition to the plant will house two newsprint machines with a capacity of 100 tons a day each. The extension to the mill, regarded as one of the finest of its kind on this continent, will be completed by January 1, 1927. Thus, by that date Price Brothers will have a total newsprint output of 900 tons a day—500 from the Kenogami plant and 400 from Riverbend. In addition, the company has a production of 50 tons daily of paperboard from Jonquiere, but there are other items in the company's expansion programme which The Financial Post learns have been accomplished within the past year. These include the purchase of 1,000 square miles of further timber limits and an added production of 25 tons per day of special paper from the Kenogami plant.

This is the first time that investors have obtained information on these three extensions in three different fields of the company's activities.

But the complete expansion programme embraces even further additions to the output. On the completion of the enlarged Riverbend Mill the company has plans for another newsprint mill which is to have an initial output of 200 tons per day and an ultimate output of 400 tons. This plant will be so located that Price Brothers will be able to reap the harvest from the whole of its immense timber holdings in the most economical fashion possible.

These additions which the company has undertaken and is already commencing are but simply steps in its expansion programme. Such a programme of course is only possible due to the fact that Price Brothers many many years ago initiated a policy of investing heavily in timber limits. Thus it has obtained much timber cheaply, and furthermore, it's holdings are situated in proximity to its mills so that wood costs are low, and what is more important, will so remain.

The Riverbend Mill first went into operation at the beginning of 1926. The present mill has a rated capacity of 200 tons, but during the past few months has been operating at above its rated capacity, thus its output has reached at times 220 tons per day.

As far as the investor is concerned the news of the continuation of the company's expansion should prove satisfactory, for undoubtedly the addition of the 200 tons to the Riverbend unit this year has resulted in decidedly increasing the earnings over the current year. The common stock of Price Brothers has always been regarded as an attractive long hold proposition; the present news means that probably it will hold even more attractions for the investor who is willing to wait—possibly through ups and downs in the industry—until the company is finally in a position to reap all the benefits of its sound wood policy and the competent management which it enjoys.

London Should Credit Canada as Gold Producer

LONDON. — Will advantage be taken of the Imperial conference to establish Canada in her rightful position as a producer of gold? That is a question being asked by Canadians in London.

The idea that Canada as a producer of the precious yellow metal is not an important factor was definitely created by Prof. Keynes. Much has been done to overcome this idea by the bringing out of the actual facts in the League of Nations publication on the currencies of the world. The latest volume gives Canada considerable prominence as a gold producer and shows this country as only third to the Transvaal and the United States, and points out that Canada's output has more than doubled since 1913 and has gone a long way to counterbalance the falling off in the United States and Australia.

Thus Canada has been put right at Geneva but she has still to be put right in London. It is a matter which might well come before the conference, Canadians here feel.

Good Tobacco Crop Expected

OTTAWA.—A good tobacco crop is predicted for Canada this year. The acreage in Quebec shows an increase of from 5 to 10 per cent., and with the outlook promising. In Ontario the 1926 crop will be from 20 to 25 per cent. larger than that of 1925.

Western Farmers Should Still Have More Money to Spend Than Last Year

With a continuation of the better weather now prevailing throughout Western Canada the harvest should be completed with results to create greater new buying power than resulted from last year's crop, in the opinion of C. M. Bowman, chairman of the board of the Mutual Life Assurance Company, who has just returned from a trip to the West on which he was accompanied by Major Hume Cronyn, president of the company, R. O. McCullough, first vice-president, and Major General the Hon. S. C. Mewburn, a director.

This view of Mr. Bowman, who is regarded as an expert on agricultural as well as financial conditions in the West, will be re-assuring to the financial community. Damage quite general, and in many districts serious, has been caused by heavy rains and unseasonable snows coupled with low temperatures. The crop which on early threshing returns gave promise of perhaps being as big as that of last year, has suffered in market value. But while the return in dollars is not likely to come up to the crop of 1925, the fact that a great proportion of the farmers have liquidated their debts in recent years should mean that the net surplus available in terms of new buying power should be greater.

BONUS FOR STEEL INDUSTRY IS NOW EXPECTED IN EAST

Probability That Old Fielding System Will Be Restored

From Our Own Correspondent.

SYDNEY.—Although neither will make any statement for publication, the presence here this week of J. C. Saunders, deputy minister of finance, and James A. Russell, tariff expert, of the same department, has given rise to persistent rumors that they are in the city to make a report to the federal government on the advisability of reviving the old Fielding system of bonusing Sydney steel production.

During the past few days the Ottawa officials have visited the steel plant and conferred with the National Trust and Besco officials in charge there. Additional color is lent to the current reports by the fact that when the old bonus system was in force, Mr. Russell was in charge of its local administration, residing here from 1904 to 1911.

Since the receivers have been in charge, the steel industry has been showing marked signs of revival, and it is the local belief that if the bonuses were restored, there would be an almost immediate return to the prosperity that marked the city 15 years ago.

It is also reported in usually well informed circles, although official confirmation is withheld at present, that the Sydney plant has received an order for 25000 tons of rails for the C.N.R. This, in addition to the 25,000 now being rolled for the C.P.R., will be sufficient to keep the plant going until the end of January at least.

G. & W. HOLDERS ARE SPECULATING AS TO WET POLICY

Possibility of Wider Ontario Market is Being Considered

The market asks what effect a wet announcement by the Ontario government have upon Gooderham & Worts. While the street daily awaits the Ontario government announcement on the liquor question, current gossip says that Premier Ferguson will shortly announce that his government favors a policy of government control with local option. The recent strong showing by several companies making alcoholic products is helping to create a greater demand for them. During the recession of the last few weeks when stocks were given an opportunity to prove their mettle, this group stood the test possibly better than any other.

Gooderham and Worts particularly is enjoying a wave of popularity and stands well by comparison. In 1924 the plant of this company was virtually idle, and the present controlling interests picked up the assets for about $1,500,000. In 1925 the stock sold as low as 120. To-day the old shares, at present market valuation for the new shares, would be selling at 350.

At the present time G. & W. has 200,000 shares outstanding, and since all funded obligations have been cleared, at a market value of $35 per share, the capitalization is $7,000,000. Another company manufacturing alcoholic products has 800,000 shares outstanding at $24.50 per share, representing $19,600,000. Nor does this

(Continued on page 31)

Though High, Shawinigan Stock Still Attractive for a Hold

Stock May Soon Be Split—Present Programme Calls For Big Additions But Company's Output Has Doubled Itself Every Six Years

From Our Own Correspondent.

MONTREAL. — While the present price of the shares of the Shawinigan Water and Power Company seems high, yet the market is but discounting further increased disbursements to the shareholders. In any event, the present expansion programme, which includes many minor developments, in addition to such major activities as the recent purchase of 100,000 h.p. from the Duke-Price Power and the projected development of the Carillon power site, still makes the stock attractive to the shareholder who is willing to salt his scrip away in his safety deposit box for a year or two.

But there may be some shareholders who feel perhaps that the present programme is of too extensive a nature and that it may be some years before all the power, which is purchased and which is to be developed, will be sold. As far as can be seem, fears of this nature are baseless.

Always Anticipates Demand

In the first place, the company has always anticipated the demands of industry and in its developments has maintained a policy of being at least one jump ahead of the demand. In order to keep step with the ever increasing demands for more power, however, Shawinigan has had to grow and grow quickly. Here, it is of interest to note that the company has doubled its output every six years since its inception. It can be seen that such growth, naturally, could not but result in bettering the position of the shareholders eventually.

Moreover, it is significant to note that Shawinigan's growth has not been unique in the history of Canadian power development, for the power industry as a whole has just about doubled itself every seven years since high tension transmission of power was first initiated. Thus, a continuance in the growth of the demand for power may well be anticipated

It is worth while examining the figures to see just how fast Shawinigan is expanding and thus to bear out the foregoing assumptions that there is no danger of any such thing as overproduction of power.

The company now distributes a total of 580,000 h.p. Within a year, the line connecting its lines with the Duke-Price plant on the Saguenay will have been completed; this will add another 100,000 h.p. to the energy which Shawinigan has to sell. But here it is interesting to remember that most of this great addition has already been sold—not in one block which will coincide with the opening of the line, but there is taking place in the province of Quebec a large industrial expansion. Older companies and newer projects have made contracts for next year; these contracts in several instances call for more and more power over the next three years; thus, it is understood that Shawinigan executives see an immediate market for practically all the power which the company will obtain from the Saguenay.

Development at Carillon

Then there remains the big Carillon project. At the moment the federal government's lease covering this project has been cancelled. But this does not mean that it will not again be renewed—in fact the majority of opinion inclines to the view that there is little doubt about its renewal. However, it may take some time, especially in view of the Prime Minister's absence in England. Incidentally, the city of Ottawa is urging the Dominion Government to insist that the lock through the projected dam at Carillon be large enough for the passage of ships with a draught of 30 feet. So that, in the event of the completion of the St. Lawrence deep waterways project, Ottawa might perhaps in time become a deep sea port. The latter, however, seems rather idealistic.

The amount of power which can be developed at Carillon depends, naturally, only on the height of the dam which is to be erected there. At the moment, no definite plans for the development have been made, but it is

(Continued on page 16)

American Bankers Who Place Millions in Canada Now See Developments

Quebec Gathering Significant in Country's Financial History

"COME AND HELP US"

J. H. Gundy, in Address, Says Canada's Vast Resources Need Foreign Capital for Development

By GORDON RUTLEDGE,
Manager, The Financial Post.

QUEBEC.—For some time now Canadian members of the Investment Bankers' Association of America have been urging that an annual convention should be held in Canada, that the American members might get a fuller knowledge of the utilities and plants which they have been helping to finance. It must be a great gratification to these Canadian members, therefore, to attend the sessions of the association being held this week in the beautiful Chateau Frontenac, Quebec. Five hundred and ninety of the 650 firm members are represented—some twelve hundred delegates in all are in attendance—the men who, as Ray Morris, of New York, president of the association, said in his presidential address, are now marketing eight thousand million dollars worth of securities every year.

Just what this friendly invasion of Canada by the army of money providers means to the Dominion will not, of course, become immediately apparent, but as one attends the sessions, and mingles with the delegates, one gathers impressions.

There is John A. Fraser, of Dominion Securities, on the platform, quietly making his report for the Canadian Group. In 1910, he says, 81 per cent. of Canadian securities were marketed in Great Britain. The total annual requirements were some $250,000,000.

"Subsequently, our annual capital requirements, which have run as high as $900,000,000 in one year, have been taken care of on this continent, the United States supplying as much as 67 per cent. in 1920. In recent years, owing to the rapid increase of wealth within our own borders, Canada has been able to supply an increasing proportion herself. For instance, in 1923 this country absorbed within her own borders 82 per cent. of her new issues of domestic government, municipal and industrial securities—the average percentage absorbed by Canada during the past three years being 68 per cent."

Then there is the impression gained in the corridor—a Canadian talking to a man from Boston, both examining some picture displays of Quebec developments — pulp and paper, power. The Canadian is explaining, the Bostonian asking questions. Perhaps it is one of the plants which is to be visited later. Surely such conversations, giving an understanding to men who are leaders in their own community, will mean much for Canada.

In the convention sessions impressions come, altogether aside from what is said from the platform. The delegates are attending. They are truly interested. Some are in plus-fours ready for play, but they are keeping play in second place.

A picture this surely of development of a self-confidence which will so stimulate the confidence of others in us that capital required to augment

(Continued on page 13)

Hon. Geo. Amyot Buys Compton Corset Co.

The Crompton Corset Company of Toronto, the oldest manufacturing concern of its kind in Canada, has been purchased by Col. the Hon. George E. Amyot, of Quebec, who has built up the Dominion Corset Company of that city to the biggest corset industry in Canada. The Toronto plant will be modernized and reorganized and administration will in future be under the control of the Dominion Company, but will maintain its identity in the trade and will continue with the present management under the supervision of Col. Amyot's son, L. J. A. Amyot, who was educated at Upper Canada College, and in Quebec, and who has carefuly studied the interests of the company, the production and selling, not only throughout this country, but in Australia. The Dominion Company has expanded rapidly in recent years and maintains warehouses in Montreal and Toronto in addition to the manufacturing plant in Quebec, while a warehouse has also been established in Australia.

Hon. Mr. Amyot himself has been one of the most successful industrialists and financiers not only in Quebec but in Canada. He has been active in the political life of his native province, but working quietly in the background and has been one of the most important factors in putting Quebec on its present sound basis. Outside of his manufacturing successes, probably his greatest achievement was the part he played in the reorganizing of the Banque Nationale, of which he is vice-president.

Private Capital and National Prosperity

PREMIER TASCHEREAU to Investment Bankers.

Through your agency there has been secured the capital necessary to those men of energy of this country, and of the United States, who have had the vision and the enterprise to attempt great developments. Through the credit which you have been instrumental in mobilizing, the industry of our people has been increased, hidden wealth has been uncovered, our forests have been made to serve a useful purpose, and, with your aid, new use has been given to our turbulent streams. Not only has industry been stimulated, but new and more economical means of manufacturing have been found. In short, our people have become an important factor in the production of the world's wealth.

"STEAMERS" MAY SHOW $4 A SHARE

Much New Business in Sight—Pulp and Paper Industry a Factor

From Our Own Correspondent.

MONTREAL.—It is understood that the present preferred and common shares of the Canada Steamship Lines will be replaced by the new issues by December 1 next, by which date the new certificates will be ready for distribution. Present holders of the preferred shares will receive, in exchange for their present stock, six shares of new 6 per cent. preferred for every five of the old 7 per cent. issue. The bonus of one share is in lieu of arrears of dividends, which will be automatically wiped out from December 1 next.

Dividends on the new stock will accrue from January 1, 1927, and regular payments will be inaugurated at the close of the first quarter of 1927. As the preferred stock carries a participating clause, it is interesting to note that, immediately upon the payment of any dividend on the common, a dividend of 1 per cent. becomes payable upon the preferred and, when the common has been raised to $3 or more, the preferred is automatically increased to its maximum of 8 per cent.

Satisfactory Showing

At the moment, there are reports which indicate that the company might show $4 per share earned on its common this year — these reports, however, have no official confirmation. Much new business is in sight, especially in those territories which are expanding industrially, such as the Saguenay district and the greater development of the pulp and paper industry along the lower St. Lawrence. A further factor which makes the stock of more value is the public confidence which has been engendered by the present management, which will undoubtedly result in a wider distribution and more stable markets for the securities.

Investor's Index

Algoma Steel	4	Mexican Power	7
Asbestos Corp.	11	Mt. Royal Hotel	4
Bell Telephone	7-11	Montreal Trams	7
Belding Corp.	11	National Grocers	11
Besco	4	Ottawa Electric	11
Brazilian	7	Ottawa Power	11
Canada Car	11	Penman's	4
Canada Northern	7	Port Alfred	6
Consumers Gas	11	Power Corp.	11
Converters	4	Price Bros.	1-6
Cosmos Imperial	11	Saguenay Pulp	6-11
Famous Players	11	St. Maurice	6
Gooderham-Worts	1	Steamships	1
Gotfredson Truck	5	W. Can. Flour	5
Granite Club	12	Winnipeg Rly.	11
Inter. Paper	6	Woods Mfg. Co.	11
FOOD INDUSTRIES SECTION			
Appo. Krisp.	21	Hamilt. Dairies	30-36
Arnold Bros.	28-30	Harris Abattoir	24
Atlantic Sugar	27	Int. Milling	22
B. C. Fishing	25-30	Lake of Woods	21
P. Burns Co.	24	Loblaws	28
Can. Biscuit	20	Maple Leaf	20
Can. Bread	22	Moir's, Ltd.	23
Can. Canners	24	Muirhead's	23
Can. Salt	25	National Grocers	28
Caulder Dairies	36	N. Breweries	29
Caulfield's	36	Wm. Neilson	28
Christie-Brown	22	Ogilvies	20
City Dairy	36	W. Paterson	24
Copeland Flour	22	Pure Food Stores	28
Cosgrave Co.	30	Pure Gold	22
Cuban-Canadian	27	Shredded Wheat	23
W. Davies	25-30	St. Lawrence	21-30
Dom. Chocolate	28	Timmins, Ltd.	29
Dom. Stores	28	Toronto Term.	27
E. Can. Stores	28	U.F.O. Co-op.	27
East. Dairies	36	Viau Biscuit	22
Farmers Dairy	36	W. Canada Flour	23
Gosse Packing	24	West. Grocers	28
Gunns, Ltd.	23	Willard's	23
MINES			
Amulet	8	Gold Hill	8
A. C. Explorers	9	Hollinger	8
Area	8	Keeley	8
Argonaut	8	Kerr Lake	8
B.-Hollinger	8	Kirkland Gold	8
Beaver	8	Lake Shore	8
Bingo	9	LaRose	8
Can. Lorrain	8	McIntyre	8
Capitol	8	McK.-Darragh	8
Castle	8	Mining Corp.	8
Coniagas	8	Mont. Rouyn	8
Coniarum	8	Newray	8
Dome	8	Ontabec	9
Duprat	9	Pete. Cobalt	9
Goldale	8	Smelters	8
C. W. Dome	8	Vipond	8

Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

Good Business Expected for Balance of Year
Wholesalers and Retailers Buying on Larger Scale
Iron and Steel Industry Continues Active
Bond Market Shows Considerable Strength

A CONSTRUCTIVE undertone to business in all sections of the Dominion is apparent at present, and a continuance of the present good volume of trade is looked for throughout the balance of the year and well on into the first few months of 1927. The general improvement in conditions, and the consequent increase in employment, has created a materially greater spending power than at this time last year, and dealers report that quality of goods rather than price is the chief consideration among a large percentage of the buying public this fall. This sentiment has naturally reacted to the benefit of wholesalers and manufacturers, as well as producers of raw materials.

Retail Buying Heavier

Wholesale business continues active and retailers are showing a tendency to buy on a larger scale. Orders are being increased and in some instances travelers are bringing in larger orders than they have for some years. Many of the retailers frequently want quick delivery on short notice, and as wholesalers and mills have been carrying light stocks for some time, there has been a considerable rush to get the goods through on time—a condition not experienced for years. Unfavorable weather has affected sales in some seasonal lines, especially in the West, but dealers generally are confident that there will be a large volume of business done during the coming months. Dry goods, clothing, groceries, hardware and other lines are in active demand. Money is fairly plentiful and payments are being met promptly.

Manufacturing has been greatly stimulated by the improvement in the wholesale and retail trades, and the majority of companies have a goodly number of orders on their books at present. With the exception of paints and oils which show a seasonal contraction, all lines are in a healthy position. Textile firms are doing well, but experiencing some trouble in securing sufficient supplies. The boot and shoe industry is finding an encouraging demand. The fur trade is also commencing to show signs of activity.

The fall buying movement in iron and steel is quite satisfactory, with some inquiries received for delivery well into next year. The tonnages bought for delivery in the last quarter of this year are substantially the same as trose bought for the past three months. The railroads, while they have not as yet announced their intentions are expected to come in the market very shortly for further equipment. Implement manufacturers are awaiting definite news of the crop situation in the West, before proceeding with any broad programme of manufacturing. The general confidence of the industry, however, has had a steadying influence on the market. Prices are holding up well, and one or two advances have been made.

Car Loadings at New High

The general trend of business is well illustrated by car loadings during the week ended October 2. In that period loadings reached a new high record for the year amounting to 77,249 cars, as compared with 75,937 in the previous week and with 74,872 in the corresponding week a year ago. This total has only been exceeded twice since 1923. The interesting feature of the report is that the increase is not due to grain loadings, which usually account for any favorable difference at this time of the year, but to other commodities. Merchandise registered an increase of 1,756 cars over last year's loadings, coal 1,971 cars, forest products 572 cars and miscellaneous freight 1,228 cars. On the other hand grain has been slow in moving this year, owing to delayed threshing and during the week of October 2 decreased 3,422 cars in loadings.

Another good sign of the general improvement in business conditions is seen in the decrease in the number of business failures during the first nine months of this year, as compared with the corresponding period in 1925. This year the number of failures was 1,513, with assets of $7,570,636, and liabilities of $19,191,301. In the same period last year, failures numbered 1,538 with assets of 11,217,453 and liabilities of $26,550,375. Nova Scotia and British Columbia show a slight increase in number. Prince Edward Island and Manitoba remain about the same, while the other provinces show improvement.

Bond Market Active

The better showing of manufacturing and wholesale and retail trade, has tended to an improvement in the stock market. There were no outstanding losses or gains during the week, the market holding up well, with trading fairly active all along the list. The bond market, however, has been rather active. An indication of the fundamental strength of the market and of the fact that there are plenty of funds available for high-grade securities, is seen in the manner in which the new $30,000,000 issue of Montreal Power 5 per cent. bonds, was absorbed. Tax-free bonds are in good demand, and further strength in the market is looked for before the end of the year, as the Dominion Government plans no new financing. Money is still plentiful and will be further supplemented as soon as the crop funds are available.

Agricultural Survey

Threshing in Full Swing
Grain Loadings Heavier
Livestock Sales Up
Apple Markets Encouraging

Excellent progress has been made with threshing in the Prairie Provinces during the past ten days, and operations are expected to be completed before the end of the month, provided no serious setback is received on account of unfavorable weather. Grain inspections so far have been of an encouraging nature. At Calgary, Moose Jaw and Winnipeg and other terminal points, gradings have been consistently good, and while a fair percentage is running No. 2 and No. 3 Northern, it is less than expected a couple of weeks ago. From the point of buying power, no great curtailment is expected. The general consensus of opinion is that it will not be much, if any, less than that which resulted from last year's crop.

Export Demand Unchanged

The general resumption of threshing has had a noticeable effect on grain loadings and marketings on the Western railway lines, which during the past few days, have grown to be exceptionally heavy. Every effort is being made to get the larger part of the grain moved to the head of the lakes and thence to the seaboard before navigation closes. Export demand has not shown any marked change during the week, but prospects are fairly good. France's requirements are now estimated at approximately 50,000,000 bushels, despite the employment of all possible measures of economy, such as milling only the coarsest flour and mixing in it rye, barley and other cereals. There are also good prospects of disposing of more grain and flour in the Orient, while the United Kingdom and continental countries will be in the market for their usual supplies. Cash wheat on Tuesday last showed a slight advance over the same day a week ago. October and May options are nearly a cent better.

Domestic Sales Good

Domestic livestock marketings, with the exception of hogs, are holding up well and generally are ahead of last year. From January 1st to October 7th, cattle marketings amounted to 667,067, as compared with 642,084 in the same period of 1925; calves, 267,019, as against 241,311; hogs, 754,503, compared with 959,820; and sheep, 224,951, compared with 215,709. Export demand is still off, although there are signs that it may pick up in the near future.

A favorable sign in the marketing of dairy products is seen in the report from Montreal to the effect that warehouses there are holding heavy consignments of cheese and butter, mostly for export to England, all of which will be shipped during the next few weeks. While the volume of cheese shipped overseas this year has held up fairly well, butter shipments are considerably less as compared with last year. There is little likelihood of any pronounced change in the export situation, but a better demand, both domestic and foreign, is looked for in the last quarter of this year.

Canneries Busy

Stone fruits have nearly all been marketed by now and apple shipments are at the peak. Canning and evaporating plants are busily engaged on the smaller fruits and are anticipating a good season. Prospects for marketing apples are encouraging. Continental Europe's apple crop is roughly estimated at about two-thirds of the average and about one-half of last year. In addition England's crop, as previously reported is much less this year. These two markets are expected to absorb greater quantities of Canadian apples than they did last year, so that the carry-over is expected to be very small.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925
Car loadings, week Oct. 2	77,249	74,872+ 3 %
Year to date	2,312,434	2,090,414+ 10%
Merchandise shipped, year to date	634,287	595,370+ 6%
Building permits—August (63 cities)	11,874,552	9,511,008+ 24%
Construction contracts awarded, September	20,760,600	29,746,000— 30%
Railway Earnings—Eight Months—		
C.P.R. gross	118,456,380	105,765,016+ 12%
C.P.R. net	22,183,198	15,868,302+ 44%
C.N.R. gross	165,783,341	146,661,997+ 13%
C.N.R. net	20,829,074	8,885,691+148%
Pig Iron Output—tons, August	58,780	26,513
Steel Ingot production, August tonnage	45,674	25,007
8 months to August 31	541,705	471,175+ 15%
Employment—September index	104.9	96.6
Newsprint production—August tonnage	162,545	120,656+ 34%
Automobiles produced —(Eight months to August 30)	155,000	114,000+ 35%
Immigration, 6 months to June 30	70,253	43,241+ 63%
Business failures—No. of firms, August	115	134
Liabilities, August	1,971,664	2,215,962— 12%
Imports of key commodities, 12 mos. ending August 30—		
Rubber (raw, in pounds)	46,189,124	38,893,355+ 19%
Cotton (in pounds)	135,273,867	112,347,584+ 20%
Crude petroleum (in gallons)	601,312,867	499,059,190+ 20%
Exports of key commodities (12 mos. end. Aug. 30—		
Canned salmon, lbs.	637,386	770,055— 17%
Newsprint, cwt. (12 mos. end. Aug. 30)	32,884,966	26,314,055+ 23%
Wheat flour, bbls. (12 mos. end. Aug. 30)	10,671,368	10,228,177+ 4%
Wheat, bushels (12 mos. end. Aug. 30)	269,761,912	154,110,268+ 75%
Grain receipts, Aug. 1 to Oct. 1	42,095,964	54,805,617— 23%
Bank clearings, September	1,381,459,868	1,328,776,934+ 4%
Savings deposits, Aug. (chartered banks)	1,343,116,753	1,268,554,097+ 5%
Current loans, Aug. (chartered banks)	945,274,265	903,717,736+ 4%
Exports, 12 months to August 31	1,328,180,712	1,130,753,557+ 17%
Imports, 12 months to August 31	976,886,332	837,787,939+ 16%
Balance of trade, 12 months to August 31	346,294,380	292,965,618+ 18%
Price level, September index, 236 commodities	152.5	156.2
Cattle—Good, Toronto, Oct. 11	$7.50	Oct. (Aver.) $6.97
Wheat, No. 1, Nor. Winnipeg, Oct. 11	1.40	Oct. (Aver.) $1.27
Pig iron (Number 1 foundry) Sept.	$24.80	Sept. (Aver.) $27.25
Hogs—Select, Toronto, Oct. 11	$12.50	Oct. (Aver.) $12.68
Bond sales, September	$55,483,924	$165,145,772
Life Insurance Sales, seven months	268,918,000	244,764,000+ 8%

BETTER OUTLOOK FOR WOOLLEN INDUSTRY

Market in Sound and Healthy Position — Sales Volume Increased

Prospects for an improvement in the woollen industry of Canada are not lacking, but so far no material change has taken place. Values have increased during the past few weeks, but the general level is still about 15 per cent. below this period last year, and still lower than in last October and November. Many small dealers remain loaded up with a lot of wool which they would only be too glad to get rid of now with even a small profit.

In commenting upon the situation, a report of the Canadian Co-operative Wool Growers, Limited, says that the best opinion to-day is that the market is in a sound and healthy position as far as the volume of sales is concerned, but prices are far from satisfactory. They are creeping up a little here and there, but the upward movement is being stoutly restricted. The majority of the larger houses have found business to be only fair, with unusually keen competition and consequent small margin of profit.

In the fall of 1924 it was freely predicted that the woollen industry of Canada would experience a boom in the following year. Stocks on hand were low; the American and Australian clips were also reported to be in the same condition. But the improvement looked for in 1925 did not materialize. This is attributed to the situation in Australia. The "Bawra" organization in that country was said to have sold practically all its stock and had a very small carryover. It happened, however, that the stocks were sold to private dealers, who withheld the wool from the market. An attempt to force up the price, met with stout resistance from manufacturers, who pursued a hand-to-mouth buying policy which eventually forced the large supplies of Australian wool on the market and brought about a break in price.

This year, the wool clip in the different provinces is unusually heavy, and the grade is above the average. Instead of retaining this wool in the country for manufacture into the finished product, the trend has been to ship a large percentage of it. During the twelve months ended August last, export of raw wool from Canada amounted to $6,372,817 lbs., valued at $2,176,204, as compared with 5,721,446 lbs., worth $2,439,549 in the previous year. It will be noted that while the value of exports in the year just closed was smaller, yet the quantity was appreciably greater.

That the impression exists that Canadian mills produce an inferior grade of woollens, and the extent to which they suffer by this statement is shown by a glance at the figures of imports of wool and wool products during the twelve months ended August, 1926. In that period, the value of such imports was $47,996,099, as compared with $46,993,571 and $45,727,913 in 1925 and 1924, respectively. The most important item of import during the past fiscal year was worsteds and coatings, which had a value of $13,560,804, compared with $12,380,963 and $11,526,134 in the two preceding years.

B.C. Boards of Trade Want Lower Freights

VICTORIA.—Interests in the Crow's Nest Pass freight rate agreement and Premier John Oliver's fight for its enforcement, is still actively engaging the attention of business men throughout the province, as represented by the Associated Boards of Trade of British Columbia. This is indicated by a resolution passed by the Associated Boards' convention and forwarded to Premier Oliver. The resolution, which was carried unanimously, reads as follows:

"Be it resolved that the Associated Boards of Trade goes on record reaffirming its previous resolutions in regard to the freight rates question, and strongly supports the application now before the board of Railway Commissioners, asking for the elimination of discriminatory freight rates at present operating against the Province of British Columbia:

"And further that we endorse the representations made by Mr. F. E. Burke, president of the Vancouver Board of Trade, and Mr. Edward Tomlin, president of the Canadian Manufacturers' Association (B. C. branch), before the Railway Commissioners while recently in Vancouver, and commend the provincial government for its action in continuing this fight.

NATURAL ABRASIVES INDUSTRY

The natural abrasives industry in Canada had an output valued at $126,490 during 1925, representing the output of 8 firms in which was invested capital of $154,733.

Boot and Shoe Production Improved During August

Returns of 161 factories out of a total of 167 factories in operation during August show that the production of boots and shoes in Canada amounted to 1,531,217 pairs, as compared with 1,571,101 in the previous month and with 1,198,661 for the month of January.

The classification of kinds show increased output of boots and shoes for men and for boys, and decreased production in the numbers of boots and shoes for women, misses and children. The production of felt footwear and cloth slippers increased from 85,276 pairs in July to 124,489 pairs in August.

For the first eight months of the current year, cumulative production amounted to 12,031,542 pairs, or an average monthly production of 1,503,943 pairs. The average production per month for 1924 was 1,420,896 pairs.

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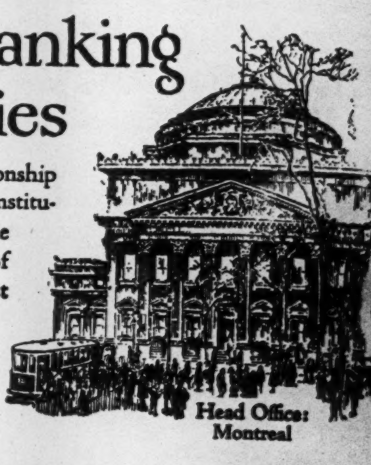

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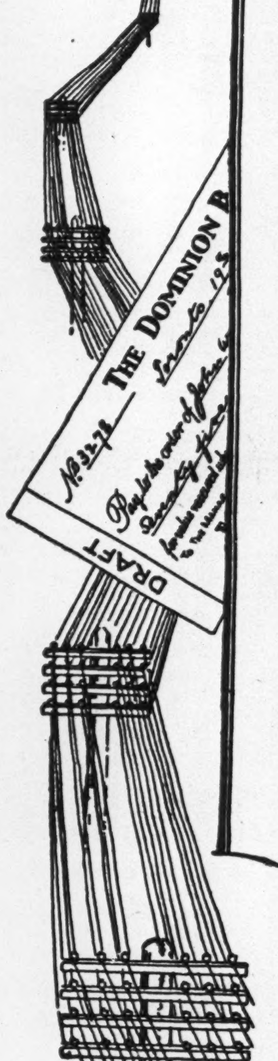

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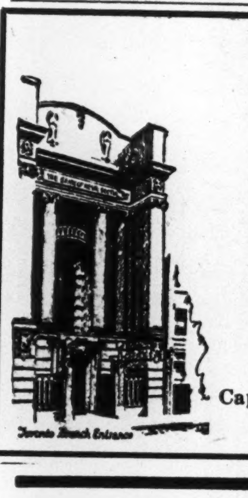

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CHAIN STORES SUFFERING FROM GROWING PAINS

Need of Better-Trained Managers Stressed at Convention

Staff Correspondence, Canadian Grocer.

BUFFALO, N. Y.—That the chain grocery store has, after fifteen years' development, reached a very important place in the distribution of grocery products, and that it is now suffering from some major growing pains as result of its very rapid growth under the conditions existing in the last few years, was quite evident from the discussions at the convention of the National Chain Store Grocers' Association, held here.

It is estimated that chain stores now distribute 25 per cent. of the groceries sold at retail, and the delegates who attended the convention represented over 50,000 retail stores. Many of the individual operators attending the gathering controlled several hundred stores, having grown from a start of a very limited number of stores a few years ago, and as might be expected from such rapid growth, many problems have developed not only in connection with the administration of individual chains but in connection with the keenly competitive condition which has been set up between chains in the race to secure the volume of business so necessary to large scale operations.

Training of Staff

Probably one of the most important questions which came before the delegates had to do with the training and remuneration of store managers and clerks. The broad scale of development and the very rapid growth of many of the chains has made necessary the establishment of what might be termed "machine" methods and while it was early felt that such methods could be used without danger, it has since developed that such is not the case and a real problem faces many chains in connection with this matter because such rapid development has taken place that there has been little time to properly train managers and clerks to assume responsibility in the retail stores conducted by these chains. Machine methods have fallen down and many of the stores in some chains are not being operated in a satisfactory manner because the men in charge of them are not merchants. It was admitted frequently at the convention that while chain stores may have certain advantages over the independent retailer, the "old-time grocer," as he is termed, has the advantage of local contact, prestige, merchandising ability and that intimate relation with customers which is so valuable and which is acquired only after years of doing business in a district.

Can Learn From Each Other

Undoubtedly the chain store can still learn some lessons from the independent retailer, just as the latter can benefit by lessons taught by the chain. The only difference is that the chain store operator is quick to realize his weakness and try to remedy it while the independent grocer is not so quick to learn from the chain. There are undoubted advantages in both these branches of retail distribution and it is apparent that the merchant who combines these advantages will benefit most materially.

The fact that the ability and knowledge of the store manager is reflected in the results of his store was proven by testimony given on every hand that good managers had improved weak stores and weak managers placed in charge of good stores had soon experienced a falling off in business. Whether the policy of chain stores in exercising rigid control from head office and, in most cases, not even allowing store managers to establish or change a price on merchandise, was responsible for a lack of development of their staffs was a question raised. It would certainly seem that this method does little to encourage initiative and yet if many of these stores allowed much leeway to managers on prices it would involve dangers because of the slim margin on which many of them operate.

Sad Lack of Knowledge

It was agreed that store managers with a training in the trade and having business experience were needed if chain stores were to be a success. In five of six stores the fate of the business was entirely in the hands of the store manager and his staff and unless they had a merchandising sense they were not going to be successful. The somewhat alarming statement was made that 60 per cent. of chain store managers and salesmen were unacquainted with many of the first principles of merchandising and were sadly lacking in knowledge of the merchandise which they handled. Educated men were productive from the start, whereas the class of men who were operating many chain stores to-day were a liability to the owners.

Study Remuneration Methods

In order to try and encourage their staffs to exercise initiative and aggressive merchandising methods, chain store operators are giving much attention to the subject of remuneration. All kinds of bonus schemes involving payments to store managers each month, based on volume of business or certain increases in percentage of net profit, were discussed. It was the consensus of opinion that a combined salary and commission arrangement, the latter to be paid more frequently than once a year was the most effective method.

Grain Dryers Enlarged

WINNIPEG. — The capacity of the grain dryers of the government elevators in Saskatchewan will be increased immediately from 20,000 to 60.000 bushels per day, according to Leslie Boyd, of Fort William, chairman of the board of grain commissioners.

Brick Now to be Marked With Country of Origin

Building brick imported into Canada on and after the 15th of October will have to be marked with the country or origin, according to a new order-in-council.

The Marking Act specifies that the goods imported "shall be marked, branded or labelled in legible English or French words, in a conspicuous place that shall not be covered or obscured by any subsequent attachments or arrangements, so as to indicate the country of origin." It is also provided that markings shall be as nearly indelible and permanent as the nature of the goods will permit.

At the present time, the greater proportion of bricks imported into Canada come from the United States. These are of the fire resistant type, and it has been the custom of American producers to stamp them with a distinctive mark to show their origin.

DEMAND FOR FARM MACHINERY IMPROVED

Imports and Exports Greater Than They Have Been For Some Time

A marked improvement in the demand for farm implements in Canada has taken place this year, if the trade returns for the year ended August 1926, can be taken as a criterion. In that period imports totalled $17,602,403, as against $9,081,385 in the preceding year, an increase of over 90 per cent. Of the total value of imports in the last fiscal year, the United States supplied $17,254,412, as compared with $8,837,632 in the preceding twelve months. There was also an improvement in purchases of farm machinery from England, although our imports from that country are necessarily small.

For the past two or three years, farmers in the West have been wary of spending any large sums of money on machinery equipment, preferring to wait until they had liquidated old debts and set aside a comfortable working margin for future operations. The large crop of last year, combined with a good market and prices, enabled farmers to clear off any outstanding debts and left a fair surplus. At the present time, the outlook for marketing this year's grain crop is fairly satisfactory, and the general consensus of opinion is that the purchasing power of the farmers will not be unduly curtailed for next year.

So far this year, Canadian manufacturers of farm machinery have experienced a good demand for their products. While sales have not taken on the appearance of a "boom," yet the volume has enabled the manufacturers to keep their plants operating on a fairly high scale.

In addition to the improvement in the domestic demand, foreign orders for Canadian farm machinery have quickened in the past twelve months. In the year ended August, 1926, exports of farm implements amounted in value to $16,611,346, as compared with $10,592,039 in the preceding year, an increase of approximately 50 per cent. An anomaly on the trade situation in regard to farm machinery is that while we imported over $17,000,000 from the United States, our exports of the same commodity to that country totalled $3,415,446, or approximately double what they were in the previous year.

National Board of Trade on Economic Problems

The first annual gathering of the newly-created Canadian Board of Trade, which organization had its inception in the conference of Boards of Trade and Chambers of Commerce held in Winnipeg last year, will take place at Saint John, N. B., on October 19th, 20th, and 21st. Matters of national importance will appear upon the agenda, and a number of Canada's most prominent men will participate in the proceedings.

Committees will be formed to deal with the questions of immigration, taxation, trade and commerce, preservation of the identity of Canadian grain, Maritime Province problems, cost of government, industrial research, a Dominion-wide celebration of the sixtieth anniversary of Confederation, and the western cattle situation. Papers will be read by C. L. Burton, first vice-president Toronto Board of Trade, on "Taxation," and F. C. T. O'Hara, Deputy Minister of Trade and Commerce, Ottawa, on the "Organization of the Department of Trade and Commerce"; by C. P. W. Schwengers, president Victoria Chamber of Commerce, on "Canada and its Transportation Problems"; by J. E. McKenna, St. John, on "The Problems of the East"; by A. O. Dawson, past president of the Montreal Board of Trade, on "The Problems of the Central Provinces." Speakers at the various entertainment features will be A. M. Belding, St. John; Sir Henry Thornton, president Canadian National Railways; E. W. Beatty, president Canadian Pacific Railway; Hon. E. N. Rhodes, Premier of Nova Scotia, on "The Conservation and Development of our Natural Resources"; the Premier of Prince Edward Island and G. Laffoley, vice-president Montreal Board of Trade.

Second Highest Output for Hardware and Tools

The second highest value of ouput in five years is recorded for the hardware and tools industry in Canada for 1925. According to a report of the Bureau of Statistics, 112 plants in operation last year had output valued at $17,882.650, an increase of 15 per cent. over the $15,570,170 reported for 103 plants in the previous year.

Of the total number of firms engaged in this line of production, 79 were located in Ontario, 23 in Quebec, 4 in British Columbia, and 3 each in Nova Scotia and New Brunswick. They represented a capital investment of $30,774,622, afforded employment to a monthly average of 5,528 people, paid out $6,184,925 in salaries and wages, and by manufacturing process added $11,931,728 to the value of purchased materials, which cost $5,950,922.

Canadian Wheat for Orient

CALGARY.—China and Japan are likely to import Canadian wheat in larger volume in the near future, according to George McIvor, western sales agent of the western wheat pool, who has returned from the Orient, where he had accompanied H. H. Wood, chairman of the board of trustees of the Alberta Wheat Pool, up to the time of the latter's departure for Australia.

FALLING PRICES HAVE EFFECT ON BUSINESS VOLUME

Difficult to Reconcile the Textbook Theories and Practice

What effect falling prices have on the volume of business, has long been a conflict between the economic theory of the textbooks and the practical experience of business men, said Benjamin M. Anderson, Jr., economist of the Chase National Bank of the city of New York, before the Financial Advertisers' Association convention in Detroit.

The law of supply and demand as set forth in the textbooks, Mr. Anderson says, would lead to the expectation that falling prices would increase the volume of goods sold, the lower prices bringing new buyers into the market or inducing existing buyers to take more. Business men, on the other hand, have been of the opinion that a downward tendency in prices tends to check buying, since purchasers hold off expecting still lower prices in the future. Economic theory and business experience both justify the view that fallen prices, even if not falling prices, will lead to an increase in the volume of buying. It has repeatedly happened in the past that a business reaction, leading to a drop from a high level of prices to a low level of prices, has set buying going again after the readjustment was accomplished, and that business expansion on the basis of lower prices has taken place. But the economist has often ignored in his theorizing the process of the readjustment, and the actual facts have usually been that business is checked while prices are falling from a higher level to a lower level and that business expansion takes place most rapidly when prices begin to rise. It appears, however, to be a fact that the revival in the physical volume of business begins before the price decline is over and continues for some time with slowly falling prices.

A substantial part of the explanation of previous business cycles has rested on the observation that business men buy too heavily and reduce buying too sharply at the wrong times, overstocking when prices are high, but expected to go higher, and understocking when prices are low, but it is feared they may go lower. The beginning of a rise in commodity prices, moreover, is said to be cumulative, partly because the turn in the market generates a great increase in buying, and the fall in prices is said to be accelerated sharply by the sharp reduction in buying which a turn in the market downward generates. To the extent, however, that the mercantile world has adopted a hand to mouth buying policy throughout all stages of the cycle, whether prices are rising or falling, it is obvious that these explanations no longer hold. It is obvious, too, that the extremes of business fluctuations are going to be mitigated greatly and, in particular, the periods of business reaction are going to be shorter than would otherwise have been the case.

Chemical Products Value Increase Over Last Year

In a miscellaneous collection of plants making chemical products in Canada which cannot be classified with any of the main divisions of the chemical industry, production in 1925 amounted in value to $10,699,162, as compared with an output valued at $10,294,171 in 1924, according to a report issued by the Bureau of Statistics. This group includes plants engaged in the manufacture of adhesives, baking powder, boiler compounds, celluloid and artificial leather products, flavoring extracts, insecticides, polishes and dressings and sweeping compounds.

During the past year there were 120 plants in operation. Capital employed by these plants totalled $9,436,455; employment was given to 1,689 people the year round, and raw materials costing $4,820,507 were converted into commodities having a selling value of $10,699,162.

BRITAIN BUYS OUR BROOMS

The gross value of products turned out by the broom, brush and mop industry in Canada last year totalled $4,463,021, of which sum the cost of materials accounted for $1,936,570 leaving the net value of production at $2,526,451, according to a report issued by the Department of Trade and Commerce. There were 79 establishments in operation in 1925, in which the capital investment was $3,962,072. Fuel used in the industry cost $27,328, in addition to which there was also utilized 1,598 h.p. of electricity. The United Kingdom and British possessions bought $107,422 worth out of a total value of exports of $116,726.

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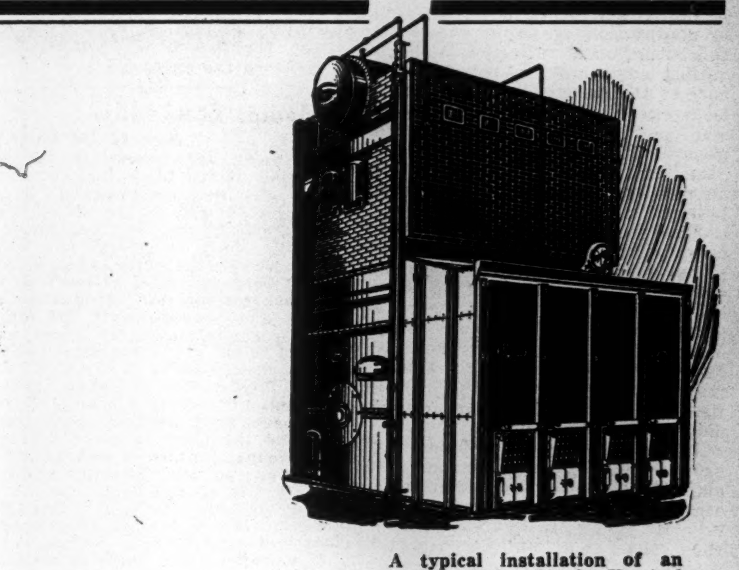

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Securities Markets

THE MAJORITY OF PRICE CHANGES ARE TO LOWER LEVELS

But Definite Trend Still Lacking in the Markets

MARKET INDICATOR

	High	Low
20 Industrial Stocks		
Week of Oct. 13	91.2	88.4
Week of Oct. 6	93.3	90.0
Month of Oct., 1925	81.1	73.5
9 Bank Stocks		
Week of Oct. 13	$224	$223
Week of Oct. 6	224	223
Month of Oct., 1925	221	215
10 Public Utilities		
Week of Oct. 13	98	96
Week of Oct. 6	100	97
Month of October, 1926	93	89

The stock markets have failed to develop any very definite trend but there has been an extension of profit-taking and the result has been that the majority of the changes over the week, have been to lower levels. Whether this is a reaction from an over-bought situation which will have the effect of a healthy adjustment, whether it is the beginning of a definitely downward movement, or whether it is in the nature of a sentimental flurry in sympathy with New York, is not clearly indicated. However, if the confidence that the Wall Street level of prices, although high, has not yet started on a broad decline but is only being adjusted on the basis of earnings in individual industries, is warranted, there would appear to be even greater reason to expect that with a great many of the sound dividend-earning Canadian stocks the time for a general reaction has not yet arrived. There are no indications at present of a change in the business situation from the prevailing condition of moderate prosperity prevailing in Canada, although on the other side of the line the collapse of the cotton market and the slackening of building activities are indicators which cannot be ignored and Wall Street's course will undoubtedly have some influence on Canadian prices.

Following is a summary of the week's changes by groups of stocks:

	Gains	Losses	Unch.	Ttl.
Banks	5	1	3	9
Paper	2	8	4	14
Steel	3	11	19	33
Foodstuffs	11	16	15	42
Utilities	4	16	8	28
Tractions	2	4	8	14
Textiles	4	4	6	14
Industrials	9	11	28	48
Totals	40	71	91	202

Losses have been general in the paper group. Not only has there been a tendency to take profits after the general advance of recent months but the time is approaching when additional mills will come into production and the spectre of over-production has again been raised. This condition would be only temporary if increased consumption continued in the United States as it has developed in the past, but any hesitancy as to the future business on the other side of the border increases the possibility of contraction of paper demand and this situation is reflected in the prevailing uncertainty as regards the future of the price of newsprint in particular. While losses for the week were not important they were pretty general, Price Brothers being an outstanding exception. The preferred shares were firm to strong in most cases.

Steel stocks generally have also been weak, although the losses, as in the case of Steel of Canada, have not been very great. Trading has not been heavy. McKinnon common eased after its recent display of strength. Massey-Harris was off fractionally, Sawyer-Massey was back again to five after bulging to 9½. Ontario Steel and Russell Motor preferred did fractionally better.

In the milling and food stuffs groups the declines were not in the majority to the extent noted in some other sections of the list. Ogilvie was off distinctly but the shares of the other big milling companies showed little change. Western Canada Flour scored an advance of a couple of points on the strength of a rather favorable annual statement. Arnolds, Loblaw and Dominion Stores were all somewhat easier. Atlantic Sugar, B. C. Fishing, Christie-Brown, Canadian Bakeries, City Dairy and a number of others sold off slightly.

In the utilities group Laurentide Power suffered under profit-taking following its recent big market. Montreal Power was not affected and sold higher. Shawinigan was little changed and the other power stocks generally held their ground. Brazilian sold down from its recent high levels to the extent of about 10 points. Montreal Tramways came into the limelight for a gain of nearly 15 points. Twin City was still weak and Duluth-Superior showed practically no change.

The textile stocks were not strong, although Canadian Cottons sold up 3 points. Penman's was the weak point, suffering a loss of 10. Dominion Textile was off slightly. In the general industrials losses were slightly in the majority. Canada Cement and Dominion Glass sold off a couple of points. Famous Players continued strong selling up to 20. William Rogers lost three points to 60. Tuckett Tobacco gained a couple of points to 64. Woods preferred sold up 3 points.

A good indication of the general confidence in the business situation as reflected by the stock market was the general strength of the bank stocks, Commerce, Imperial, Dominion and Montreal all sold higher, while the others were practically unchanged.

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Iron and Steel

WINTER BANKING WOULD HELP BESCO

Indications of Better Conditions Ahead for the Coal Industry of Cape Breton

From Our Own Correspondent.

SYDNEY.—Although official confirmation is so far lacking, there are indications that banking of coal on a more extensive scale than for years past will take place at Besco mines in Cape Breton this winter. Officials of the corporation are negotiating with the Canadian National with a view to having the railway accept a greater percentage of banked coal than in previous years.

At one time the government road used a large amount of banked fuel, but in recent years has claimed that it is not as good for steaming purposes as the freshly mined product.

With seven weeks' shipping up the St. Lawrence still to be provided for, the bank at Sydney is cleaned out, and there is little or no coal at No. 2 bank Glace Bay.

A town delegation which recently went to see H. J. McCann, general manager of the Dominion Coal Company about opening up a road near No. 2, were informed that it could not be done because the company needs the space for banking.

In addition there are reports that the Everett, (Mass.) Coke Company will soon resume buying of Cape Breton slack, of which it consumed large quantities a few years ago.

It is expected that the Duncan report on Maritime affairs, when made public, may also contain some provisions that will make more extensive banking of coal feasible.

One of the greatest problems connected with mining in Nova Scotia lies in the seasonal nature of the occupation. In the summer, when the river is open men work day and night to dig millions of tons of coal for the St. Lawrence market; but when the river freezes up, the mines go idle or work only one or two days a week. Hence much distress, unrest, labor trouble and strikes. If the companies now see their way clear to extensive winter banking, it will mark a long step forward in a revival of prosperity in the east.

Algoma Steel Mills Are to be Enlarged

A point of interest at the annual meeting of the Lake Superior Corporation was the announcement by Vice-president Franz, to the effect that the management of the corporation was seeking funds to enlarge the finishing capacity of the mills of the Algoma Steel Corporation. Questioned as to the outlook for increased production at the mills and the prospects for dividends on the capital stock, Mr. Franz said: "I don't think the corporation will ever show enough profit to pay $1,000,000 annual interest on its bonds, because of its small finishing capacity. Engineers representing a banking house have examined the plant to make a report on the company, which is seeking funds for additions to its finishing mills. Steel rail orders on the books are not sufficient to run the mills through the winter. It requires 250,000 tons of steel rail orders annually to operate the plant at a profit. There is no indication that such a volume of business will be had in any one year in the near future. Efforts should be made to increase the company's production of other steel and iron products. Lake Superior's operations last year resulted in a deficit of $7,633.

Mt. Royal Hotel Company Has Best Year in History

From Our Own Correspondent.

MONTREAL.—The Mount Royal Hotel Co. has experienced the best summer season in its history. The month of August proved to be exceptionally good with net earnings in excess of $175,000 and indications point to net earnings during the month of September of close to $100,000. With the improvement in business which has been experienced during the first nine months, coupled with the expectation of improved earnings during the last quarter of the year, many holders of the preferred shares are looking with more confidence to the future when they anticipate that they may have some chance of participating in the bettered earnings.

GREATER BICYCLE PRODUCTION

Production of the bicycle industry in Canada amounted in value to $1,445,901 in 1925, an increase of 19 per cent. over the $1,211,010 reported in the previous year. Figures for the preceding years show the steady growth of the industry. In 1923 the value of the output was $1,079,298, an advance over the total of $959,295 in 1922 which, in turn, was greater than the $708,805 in 1921.

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Textiles

CONVERTERS NOW IS EXPERIENCING BETTER BUSINESS

Earnings of First 5 Months Probably Ahead of Last Year

From Our Own Correspondent.

MONTREAL.—Canadian Converters Company is experiencing better results during its present fiscal year. During the first five months, which ended September 30, sales have shown some improvement over the preceding year and orders on the books at the present time are in excess of those experienced a year ago. For the remainder of the year, the outlook appears to be satisfactory. One factor contributing to the improvement is, of course, the bettered business situation on the praries where bills are now being met promptly.

While no information as to the earnings is available, yet investors would be safe in anticipating that the bettered volume of sales must have also found a reflection in the net earnings for the year to date.

While Canadian Converters is usually included amongst the textile companies, yet it is in most ways hardly comparable to the majority of the other textile companies in that it manufactures no textiles but, as its name implies, purchases piece goods from the textile companies and converts these into a very wide range of lines.

Sells Through Wholesalers

Although "Converters" has branches in Toronto, Vancouver and Saint John, N.B., where sales are made, yet most of its output is sold through the wholesalers. Thus, with the exception of the Vantex collar, very few of its lines are widely known to the public; it sells one or two other lines which are known to the consumer, but its output frequently goes to the retailers bearing the name of the wholesaler, rather than that of the manufacturer.

The company's output consists of shirts, collars, work clothing, underwear, whitewear, children's and women's dresses, aprons and a wide variety of lines such as this, which are sold to the public exclusively through the retail drygoods trade. From an investment angle, it is significant to note that no one company plays a predominant part in the total sales of "Converters." In other words, there is little danger of the company confining a great proportion of its sales to any one company which in the end might prove to be a weak sister and thus the earnings of "Converters" are the more stable.

The Largest Producer

The company is the largest organization of its kind operating in the Dominion and was incorporated 20 years ago to acquire the assets and undertaking of four older companies. In order that a proper picture of its progress may be seen, there follows a table which shows the net earnings applicable to common stock dividends since 1912:

		Per cent. on com.
1912	50,548	2.9
1913	87,720	5.1
1914	74,089	4.3
1915	26,429*	1.5
1916	89,162	5.1
1917	139,414	8.
1918	145,448	8.4
1919	176,384	10.2
1920	221,995	12.8
1921	171,517	9.9
1922	145,998	8.4
1923	131,809	7.6
1924	124,832	7.2
1925	125,531	7.2
1926	131,814	7.6

*Deficit.

Bonds to be Redeemed

The foregoing reveals very fairly the progress which has been made. It will be seen that in 1920 when commodity prices reached their peak, that the earnings naturally made a high record. Although earnings dropped in the ensuing years, yet the decline was approximately equal to the decline in commodity prices after the slump of 1921.

In 1906, at its inception, the company put out a $750,000 bond issue. At the end of its fiscal year on April 30 last, this issue had been reduced to $199,000, and it will in all probability be redeemed out of working capital on December 1 next when the issue falls due. This means that the total capitalization of the company will amount to $1,733,500, all in common stock, as against a property and investment account, which appeared on the balance sheet at the close of the last fiscal year, of $2,163,-036. Against this latter figure there is a reserve for depreciation of $294,-436 and there is also a surplus account of $665,964. There was shown in the last balance sheet, also, a working capital of over $700,000. Thus, it will be seen that while the Canadian Coverters Company is not large as compared to many other industrials, yet it has made very steady progress and occupies a satisfactory financial position.

Plants in Montreal

The company's two plants are located in Montreal. In 1917, "Converters" recommenced paying dividends of 4 per cent. per annum; these disbursements have been slowly increased until a 7 per cent. dividend was declared in 1920. It is significant that the dividend was maintained during and after the 1920-21 slump, at which time many shareholders in many other companies had their dividends reduced.

During the past 14 years, the low for the stock was 30½ in 1912, and a high of 103 was touched in 1923. The present price of around 94 seems a reasonable level and a level at which any investor who is willing to wait and hold his security over a few years might well purchase it.

The outlook for the future of the Canadian Converters Company is exactly the same as the outlook for the Dominion as a whole. As the general level of business in Canada increases, so will the earnings of Canadian Converters rise—possibly to a little greater extent, for the company, as has been said, is the dominant producer in its line in the Dominion. The company does some export business to the British West Indies, but elsewhere it is practically unable to compete in foreign markets.

Foreign Competition

One reason for this lies in the fact that "Converters" must of necessity manufacture a wide range of lines; in other countries, due to wider markets, companies such as this are able to concentrate on but a few lines with a consequent reduction in costs.

In a way, also, this brings foreign competition into the Canadian trade; this Converters must meet—this is principally in the higher grade lines where imported specialties frequently are placed on the domestic market.

However, Canadian Converters is in rather a peculiar situation as far as foreign competition in the domestic market is concerned. The protection which the present tariffs afford the converting companies is low—lower than that afforded the textile companies which spin and weave the piece goods. If Canadian Converters is not in a position to undersell the imported article, naturally it will be unable to purchase cotton fabrics from Canadian textile mills—as the company purchases in large quantities from the textile mills, this means, therefore, that it is in the best interests of the Canadian textile manufacturers to keep their prices to "Converters" at such a level as will allow the latter to compete with imported merchandise.

Not a Spectacular Stock

During the earlier part of 1925, "Converters," in common with all other operators in the textile trade, felt the results of the small public demand, but at the beginning of the 1926 calendar year, business improved and the results naturally made themselves apparent in the annual report for the year ending April 30, 1926. The improved business has been continued and the expectation is that the earnings during the present fiscal year will be maintained at a higher level than last year.

The ability of the present management has been demonstrated through the past records of the company. And, while earnings at the moment are not largely in excess of dividend requirements, yet here is a common stock which will soon represent the entire ownership of the property which combines a very satisfactory yield and a satisfactory outlook for increased earnings in the future. However, shareholders cannot look for any immediate or spectacular increase in its earning power. On the other hand, all indications appear to portend a steady and satisfactory improvement both in earning power and in the company's financial position.

Has Penmans' Split Again Been Delayed?

From Our Own Correspondent.

MONTREAL.—Earlier in the year it was anticipated that this autumn Penmans would split its stock, but now it is said that the long-looked-for division in the shares has again been delayed, due possibly to the uncertainty of the tariff situation since the election of the new government.

On November 1, next, the company must either redeem or refund its issue of bonds, of which there are $2,000,000 outstanding. This could be accomplished either out of working capital or by a new issue. On the other hand, the preferred stock at present retained in the treasury might be sold; this would net Penmans $425,000. Then the company might offer the shareholders attractive "rights" to new common stock.

Investors have calculated that if the company offered one new share at $125 for every six shares of common stock presently outstanding, it would net Penmans an additional $457,400. In view of the strong liquid and cash positions which the company occupies, these sums would be quite sufficient to provide for the redemption of the bonds.

The directors in the company meet shortly, and it is understood that they will arrive at a decision regarding the redemption of the bonds and also regarding the possible split in the common stock.

Eastern Trust Company President Has Resigned

MONTREAL. — The president of the Eastern Trust Company, Hector McInnes, K.C., has resigned from the presidency and from the board of directors of the company. Hon. W. A. Black, M.P., the senior vice-president, is now acting president.

The reason for Mr. McInnes' resignation lies in the fact that he is a director of the Nova Scotia Steel and Coal Co. and legal representative of some of the parties in the action applying for the receivership of that company. Mr. McInnes has stated that he could no longer retain the presidency as there might be a conflict of interests between his clients and those of the Eastern Trust Co., which is acting as trustee for the bond and debenture holders of the Nova Scotia Steel and Coal Co.

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Food Products

WESTERN CANADA FLOUR MILLS MADE BETTER SHOWING

Able to Report Substantial Addition to Surplus Account

A more favorable showing was made by the Western Canada Flour Mills Co. for the year ending Aug. 31st, as compared with the previous year. The report reflects the new financing which was approved at a special general meeting of shareholders in March. The first mortgage bonds and the first and refunding mortgage bonds have been retired in full and the company's properties are, therefore, free of encumbrance. In respect of the preference shares of the company which now constitute the senior security, the holder of each share of old common stock of $100 has now received in exchange $60 in preference stock and three shares of no par value common stock. The balance of the preference shares were sold, and the proceeds applied in retiring the bonds above referred to.

The year was one of particular difficulty for the milling industry, competition being very keen and markets somewhat sluggish and these conditions served to hold earnings and profits in restraint. The Western Canada Co., however, was able to earn interest and dividend requirements by a comfortable margin, and carry over a sizeable balance to surplus.

The consolidated profit and loss account of Sept. 1, 1925, amounted to $582,981. To this was added net profits for the year ended Aug. 31 amounting to $328,096. These net profits, compared with profits for the year previous of $319,032, reflected a slight increase.

Profit and Loss

	1925	1926
Profits	$319,032	$328,096
Interest	$ 54,294	$ 47,245
Dividends	230,000	256,625
	$284,294	$303,870
	$ 34,738	$ 24,226
Previous balance	$548,243	$582,981
Balance	$582,981	$607,207

Competition Was Keen

In his report to the shareholders, the president, D. B. Hanna, states:

"The operations of your company during the year have been subject to keen competition, and wheat prices generally have been above the level at which overseas buyers were desirous of purchasing. Owing to excess moisture the quality of wheat presented difficult problems in storing and milling. Notwithstanding these drawbacks, your company enjoyed a fair share of distribution for its products in both the domestic and export markets, and your directors, under all the circumstances, consider the results have been satisfactory.

"Capital expenditures during the year include the completion of an extension to the facilities at New Westminster, B.C., referred to in last year's report, and also the building of additional warehouse accommodation at Calgary, Alta.

"The western wheat crop of 1926 is larger than the average, the latest estimate being in the neighborhood of 375,000,000 bushels. Recent unsettled weather may have the effect of reducing the grade to some extent, but deliveries of the new wheat already made indicate a large percentage of good milling grade, and the outlook for the year we have entered upon may be regarded as promising."

Working Capital Lower

Current assets are shown in the balance sheet at $2,762,433, and current liabilities at $1,194,259, leaving net working capital of $1,568,174. A year ago current assets were shown at $2,409,556, and current liabilities at $756,729, leaving working capital of $1,632,729. While showing a decline, this year's working capital position is, nevertheless, still very comfortable. The increase in current liabilities this year is shown partly in accounts and bills payable, which are $800,351, compared with $673,-

(Continued on page 30)

Canadian Oil Business Shows Material Increase

Canadian Oil Companies' report on six months' operations shows a material improvement over 1924 and 1925 figures when compared on a yearly basis. Gross profit was $290,411, or on a basis of $580,000 a year compared with $449,000 in 1925. Profit and loss surplus stands at $544,552 as of June 30, 1926, as against $454,847 at the first of the year and about double what it was at the end of 1924. During the six months the company paid $40,000 in common dividends as well as $68,162 in preferred. No common dividends were paid in previous years.

Comparative figures follow:

	6 mos. 1926	12 mos. 1925	12 mos. 1924
Prev. surp.	$ 454,847	$ 274,717	$ 328,786
Gross profit	290,411	449,900	403,946
	$ 745,258	$ 724,617	$ 732,732
Int. on bills payable	$ 37,514	$ 72,037	$ 83,048
Dep. reserve	48,100	86,591	264,917
Tax reserve	6,930	......	......
Balance	$ 652,714	$ 565,989	$ 384,767
Pref. div.	68,162	111,142	110,050
Com. div.	40,000	......	......
P. & L. sur.	$ 544,552	$ 454,847	$ 274,717
Working capital account—			
Cur. assets	$3,627,950	$2,702,153	$2,410,427
Cur. liabil.	1,982,565	1,604,284	1,249,730
Net working capital	$1,645,385	$1,097,869	$1,160,697

Alcohol Maintains Strength

MONTREAL.—Despite the general decline in the market, the shares of the Canadian Industrial Alcohol Company have more than held up well. This fact makes it still more obvious that the forthcoming annual report will prove to be a highly satisfactory document to the shareholders. The report will be out in several weeks time. It is understood that the large block of stock, which overhung the market some time ago, has been removed and that all the stock is well distributed in strong hands. It is said that the recent demand for "Alcohol" stock originated in Belleville and Toronto, two cities where the position of the company is well understood.

Stock Market Record

WEEK ENDING OCTOBER 12

	Div. Rate	Yield Oct. 11	High for wk.	Low for wk.	Close Oct. 12	Close Oct. 5	Sales for wk.	Range, 1926 High	Low
Banks—									
Commerce	12+1	5.28	223	222½	223	222	45	226	214
Dominion	12+1	6.21	209	208½	209	208	70	219	207
Can. Nationale	10	6.32	158	158	158	158	10	170	157
Imperial	12+1	6.30	206	205	206	204	126	215½	200
Montreal	12+2	5.18	271	269	271	270	164	275	251½
Nova Scotia	16	5.50	291	290	291	291	24	300	281
Royal	12+2	5.53	253	251	253	252½	372	255⅛	248
Standard	12	6.28	191	191	191	191	17	200	190
Toronto	12	5.47	219⅛	219	219	219½	9	222	213
Paper—									
Abitibi, com. (no par)	4	4.34	94¾	90	91	93¾	5796	98	70¼
Do. pref.	7	6.30	...	...	...	...	...	116	106¾
Belgo-Can. pref.	7	6.89	101½	101	101	101½	65	102	95¾
Brompton (no par)	.	....	36	34½	35⅞	36	3182	38½	26
Laurentide	6	5.50	110½	105	107	111¼	18776	114¾	81½
Price Bros. com.	2	2.74	73	72	73	72	40	76¾	57
Do. pref.	6½	6.37	102½	102	102	102	170	102½	95
Prov. Paper, com.	6+1	6.14	..	...	...	...	...	114⅝	100
Do. pref.	7	6.60	106	105	106	105	15	106½	100
Smith, Howard, com.	.	....	54¼	54	54	54½	52	58¾	38
Do. pref.	8	7.76	103	101	101	103	30	105	92¾
Span. River, com.	7	6.69	106½	104	104½	105½	2635	111¾	96½
Do. pref.	7	6.08	115¾	115	115	115	146	120	108
Wayagamack	.	....	99	98	98	100	240	100	56
Steel and Steel Industries—									
B. E. Steel, com.	.	....	..	...	...	...	...	3½	¼
Do. 1st pref.	.	....	10½	10	10½	10½	...	30	9
Do. 2nd pref.	.	....	1⅞	1⅞	1⅞	2	85	10¾	1
Can. Car & Found. com.	.	....	..	...	...	...	50	49	33
Do. pref.	7	8.33	85	83¾	84	85	...	88	73
Can. Fairbanks, pref.	.	....	..	...	...	...	150	60	60
C. G. E. com. (par $50)	.	....	..	...	...	...	...	53	47
Do. pref. (par $50)	7	6.14	57	57	57	57	...	60	53½
Can. Locomotive, com.	.	....	..	...	...	...	165	42	35
Do. pref.	7	8.04	87½	84	87¼	87	...	89½	73
Canada Iron, com.	.	....	..	...	...	...	122	10	9
Do. pref.	.	....	..	...	...	...	...	42½	39
Can. Forgings, pref.	.	....	63	63	63	63½	5	63¾	41½
Can. Forgings, com.	.	....	..	...	...	...	...	15	8
Dominion Coal	.	....	51	51	51	51¼	105	52	40
Dominion Iron, pref.	.	....	..	...	...	...	...	24¾	5
Dominion Bridge	4	3.70	109	106¼	108	108	845	111	80
Dom. Radiator, pref.	7	689	..	...	...	...	...	103½	100¼
Dom. Steel Corp. pref.	.	....	16½	16½	16½	16½	115	25	10⅝
Ford Motor	10	....	..	...	...	...	...	622	500
McKin. Ind. (no par)	.	....	27¼	27¼	27¼	29	10	31½	15
Do. pref.	7	7.36	95	95	95	95	70	95	87
Do. Voting, Jr.	.	....	28⅞	27½	28	29	800	30¾	27½
Massey-Harris, com.	.	....	69½	67	68½	69	2229	73	40
Do. pref.	7	6.89	101½	101	101	101¼	886	102	93
N.S. Steel, pref.	.	....	..	...	...	...	...	...	...
Ontario Steel, com.	4+1	6.60	76	75¾	75¾	75	115	78½	60
Do. pref.	7	7.00	100	100	100	100	15	103	98
Russell Motor, com.	3	....	..	...	...	...	...	42	39
Do. pref.	7	7.52	93	93	93	92½	5	93	76
Sawyer-Massey, pref.	.	....	5	5	5	9½	21	13	5
Steel of Can., com.	7	6.51	109	106½	107¼	108	1179	109½	95⅛
Do. pref.	7	5.77	121¼	121¼	121¼	123	28	123	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	....	21½	19	19	21¼	855	26⅝	18
Do. pref.	7	8.04	88	86½	87⅛	87	111	92	86½
Atlantic Sugar, com.	.	....	24⅞	23½	23½	24	500	32⅞	21½
Do. pref.	.	....	..	...	...	...	...	88	75
B.C. Fishing	5	7.14	72¾	69¾	70⅞	72½	2100	78	57¼
Can. Bread com. (no par)	2.50	2.87	91½	90	90	90	200	95	53
Do. pref. (A)	7	6.39	109½	109¼	109½	108	23	112	105
Do. pref. (B)	7	6.36	105½	105	105½	105	90	107	96¼
Can. Canners, com.	.	....	12¼	12¼	12¼	12½	8	15	12
Do. pref.	4	6.15	66½	65	65½	66	780	70	60
Canadian Salt	8	6.40	..	...	...	...	...	145	124
Christie Bis. c. (no par)	.	....	37	35	35	37½	105	63½	35
Can. Bak. c. (no par)	.	....	35	34½	34½	35	91	37¾	26½
Do. pref.	7	7.36	95	94½	95	95	40	96¼	92
City Dairy, com. (par $25)	12	3.84	78¼	77	77⅜	79	252	82½	65½
Do. pref.	7	6.36	110	110	110	110	5	112	107
Cuban Can. Sugar, com.	.	....	..	...	...	...	...	5	3
Do. pref.	.	....	..	...	...	...	...	28	21
Dom. Stores, c. (no par)	$2.40	4.00	60½	60	60	62	100	68	56
Do. pref.	8	6.89	..	...	...	...	...	116	106
Wm. Davies (A) (no par)	.	....	30½	29⅞	29⅞	30	285	37¼	27½
Inter. Milling, pref.	7	6.93	101¼	100	101	100	19	105¼	98½
Lake of Woods, com.	12	8.00	153	149	149	150	228	175	139
Do. pref.	7	6.07	116	115¼	116	115¼	29	118	115
Loblaw, com.	$1.00	2.15	46½	46½	46½	47	5	55	29¾
Do. pref.	7	6.68	104¾	104¾	104¾	103	74	104¾	100½
Maple Leaf Mill, com.	.	....	70	70	70	70	265	88	50⅛
Do. pref.	7	7.21	97	97	97	97	3	102	90
Ogilvie Flour, com.	5+5	2.63	191	182	183	191	365	200	165½
Do. pref.	7	5.93	118	118	118	117	15	125	117
Pure Gold Mg. (no par)	50c.	....	19	19	19	19	35	23½	17½
Shred. Wheat c. (no par)	75c.	5.66	53¼	52⅛	53	53½	275	54	47½
St. Law. Flour, com.	.	....	32½	30	30	34	55	45	26
Do. pref.	7	8.35	84	82	83¾	83½	40	84	80
Viau Biscuits, com.	.	....	26½	25	26½	25¾	255	28	18
Do. pref.	7	8.04	87	87	87	87	6	89	85
Western Groc. c. (new)	.	....	28½	28	28½	29½	265	30	24
Do. pref. (new)	7	9.33	76½	75	75	75	55	80	62
Do. com. (old)	.	....	5½	4½	5	5	314	13¼	4
Do. pref. (old)	.	....	..	...	...	...	...	64	49
West Can. Flour, com.	35c.	....	24¼	22¼	24	22	408	24¼	18
Do. pref.	6½	6.51	99¾	99¾	99¾	99½	81	99¾	97⅜
General Utilities—									
Bell Telephone	8	583	137½	136⅜	137⅛	137¼	354	141	136
Consumers Gas	10	5.81	172½	172	172	172½	200	183⅞	170
Inter. Util. (A) (no par)	87⅜	....	..	...	...	...	...	88½	80½
Con. Gas Rights	.	....	..	...	...	...	...	4.85	3.90
Cedar Rapids	.	....	..	...	...	...	...	50	40
East Koot. Power	.	....	..	...	...	...	...	33	25
Jamaica Pub. Ser. pref.	7	7.21	97	96¼	97	97	...	99¼	96¼
Laurentide Power	5	4.13	125	121	121	130	65	130	100
Mackay, com.	7	5.26	133½	129½	131	133½	190	138½	129
Do. pref.	4	5.67	70¾	70	70	70½	64	73½	68¾
Mexican Light, com.	.	....	30	30	30	30	71	31⅞	29
Do. pref.	.	....	81	81	81	82	25	86	64
Mont. L. H. & Pr. com.	.	....	75	72	74⅞	72¾	50	75	59
Do. pref.	.	....	50½	50¼	50½	50¼	26985	50½	48⅛
Montreal Teleg. (par $40)	8	6.53	47	47	47	49	2026	51½	47
Ottawa L. H. & Pr. com.	6	6.31	96¼	95	96¼	95½	1	100	92
Do. pref.	6½	6.31	103	102	103	102	44	105½	100
Quebec Power, com.	6	3.72	163¼	160	162	164	20	171	113
Do. pref.	7	6.06	115½	114¾	114¾	115½	1090	116	109½
Shawinigan	8	3.29	245	239	242	243	78	251	167½
South. Can. Pr. com.	2.00	2.17	92	92	92	92½	2909	98	81
Do. pref.	6	5.94	101	100½	100½	100½	62	104½	99
Ottawa & Hull Pr. com.	.	....	..	...	...	...	44	30¾	25
Shawinigan Rights		....	9⅜	8½	9⅛	9⅜	5409	10	6½
Transportation—									
Can. Pacific Rly.	10	6.17	162	161	161	166	60	169	147
Can. Steamships, com.	.	....	27¾	26	27	28¼	1650	30	11
Do. pref.	.	....	89¾	88	88	89¾	2354	91	56
Do. voting	.	....	27	26¼	26¼	27¼	890	29⅝	11
Tractions—									
Barcelona (par $50)	.	....	..	...	...	...	...	40½	26
Brazilian, com.	5	4.50	117½	107½	107¾	117	105198	123½	80
Do. pref.	6	5.66	106½	104½	104½	107	270	108	97½
Detroit Un. Rly.	.	....	..	...	...	...	...	8½	1½
Duluth-Superior	.	....	31	30	30	30	75	33¼	25
Illinois Traction, pref.	6	6.00	..	...	...	...	...	100	96¼
Montreal Trams.	10	5.40	190	176	189½	175	733	190	159
Ottawa Traction	4+1	6.75	74	74	74	74	170	74½	60
Porto Rico Rlys. com.	.	....	..	...	...	...	...	47	40
Do. pref.	7	7.82	89½	89	89½	89½	15	91	85½
Twin City, com.	5	7.81	65¼	63	63	65	2133	79½	63
Do. pref.	7	6.86	..	...	...	...	...	103	102
Winnipeg Elec. com.	1	....	57½	55¾	56⅜	57	3287	60	45¼
Do. pref.	7	6.93	101½	101	101⅛	101	90	103	95
Textiles—									
Can. Conn. Cot. pref.	4	....	38	38	38	35	25	49	35
Can. Converters	7	7.44	94½	94	94	94	166	95	90
Can. Cotton, com.	8	7.08	113	113	113	113	15	124	113
Do. pref.	6	6.48	92½	92½	92½	92½	15	99½	92½
Can. Woollens, com.	.	....	6	6	6	5	2	8	4
Do. pref.	.	....	49½	49½	49½	50	10	50	45
Dom. Textile, com.	5	5.43	92½	91	91	92½	620	99⅛	89
Do. pref.	7	6.02	..	...	...	...	...	122	115
Monarch Knitting, pref.	.	....	30¼	30¼	30¼	80	27	50	30
Montreal Cottons, com.	6	5.45	110	110	110	110	8	112	102
Do. pref.	7	6.15	114½	114½	114½	113½	4	115½	110
Penmans, com.	8	4.32	185	176½	177	187	415	191	173
Do. pref.	6	5.88	..	...	...	...	...	104½	101½
Wabasso Cotton	4	5.63	71	71	71	73	70	79	60
General Industrials—									
Amer. Sales c. (par $20)	4	6.06	67	66	66	66	15	70	54
Do. pref.	7	7.14	98	98	98	97⅞	15	98	92
Asbestos Corp. com.	.	....	21	19¾	20½	20½	2599	24½	16½
Do. pref.	7	9.42	75	72½	74	76	911	79¾	62
Building Products, pref.	7	7.56	93	92	92½	91	28	93	83
Brant. Cord. pf. (par $25)	8	7.92	25½	25	25	25½	183	27½	24½
Burt, F. N. com.	12	5.35	56	55	55	56	86	67½	50
Canada Cement, com.	6	5.59	108	106	106¾	109	262	111½	98
Do. pref.	7	6.08	115½	113	115	115	158	120	113
Dom. Rubber, pref.	7	8.75	..	...	...	...	...	87½	80
Can. Ind. Alc. (no par)	$1.28	5.22	24¼	22⅞	24⅛	23¾	16475	24½	16¼
Crow's Nest Coal	6	8.82	..	...	...	...	...	85	51
Dom. Glass, com.	7	8.14	87	85	85¼	87	321	105	84
Do. pref.	7	6.79	104	103	103	103¼	30	111	103
East Theat. c. (par $25)	.	....	..	...	...	...	...	30	18¾
Do. pref.	7	7.48	93½	93½	93½	93	4	93½	83
Famous Players, com.	.	....	20	18	20	17	25	20	11
Do. pref.	8	8.51	94	93	94	92⅝	266	94¼	88
Gilman, com.	6	4.76	..	...	...	...	...	127⅛	140½
Do. pref.	7	5.88	131	130	130	130	50	131	113½
Goodyear Tire, pref.	7+3½	7.86	95	93	95	95	83	99¼	85
Holt Renfrew, pref.	7	7.86	..	...	...	...	...	90	84½
King Ed. Hotel	.	....	..	...	...	...	...	41	25
Kelvinator, com. (no par)	.	....	17⅛	16	16	17	85	20½	14
Do. pref.	7	7.52	93	92	93	92	120	94	88
Lyall Construction	.	....	37	36⅝	37	37	80	48	20
Loew's com.	.	....	..	...	...	...	...	40	36
Nat. Brew. c. (par $25)	4	5.92	68¾	66½	67	68	6481	72	56
Do. pref.	7	6.73	104	104	104	104	1	110	104
National Brick, com.	.	....	8	8	8	8	5	12½	8
Do. pref.	7	10.76	65	65	65	65	120	72	60
Pacific Burt, com.	6	6.48	92½	92½	92½	93	20	110	90
Do. pref.	7	6.66	105	105	105	105	29	110	102
Port Hope San. com.	8	8.00	..	...	...	...	...	100	74½
Do. pref.	7	6.86	..	...	...	...	...	105	99
Rogers, Wm. com.	.	....	62	60	60	63	25	67	45
Do. pref.	7	7.40	..	...	...	...	...	97	90
Sher-Williams, com.	6	4.33	138⅞	138½	138½	138½	80	148	125
Do. pref.	7	6.03	116	116	116	116	38	116	110½
Sterling Coal	4	10.56	..	...	...	...	...	43	37
Tooke Bros. com.	.	....	..	...	...	...	...	8	8
Do. pref.	.	....	63	63	63	62	2	63½	56
Tuckett Tobacco, com.	4	6.25	64	64	64	62	50	65	58
Do. pref.	7	6.94	100¾	100¾	100¾	100¾	50	105	100
Do. pref.	.	....	93	92	92	93½	20	93½	90
Woods Mfg. com.	.	....	47	47	47	47	10	48	38
Do. pref.	7	8.06	87	86¾	87	84	50	90	77¾
Standard Chem. pref.	.	....	..	...	...	...	...	9	9
Trust and Loan—									
Central Canada	12	....	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	6.07	90½	90½	90½	90¼	...	100	90
Can. Permanent	12	5.70	210½	209½	210	210	29	211	202¼
Colonial Invest.	6	....	..	...	...	...	27	7	4
Hamilton Prov.	10	6.36	..	...	...	...	...	157	157
Huron & Erie	7+½	5.63	133	133	133	133	...	133	127½
Landed Banking	9	5.76	..	...	...	...	8	156	150
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	5.00	..	...	...	...	...	245	232½
Ontario Loan, (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	7.73	90½	90½	90½	90⅛	40	90½	85
Toronto Gen. Trusts	12	5.33	..	...	...	...	...	225	220
Toronto Mtge. (par $50)	10+1	5.67	..	...	...	...	...	100	93½
Union Trust	7	6.79	..	...	...	...	...	103⅜	98

THE CURB MARKET

	Div. Rate	Yield Oct. 11	High for wk.	Low for wk.	Close Oct. 12	Close Oct. 5	Sales for wk.	Range, 1926 High	Low
Andes Pete.	.	....	..	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	....	84½	30½	33	35½	860	43¾	7
Beacon Oil	.	....	18¼	17½	18¼	18	705	19½	14¼
Belding Pref.	7	7.00	100	80	80	80	27	101	75
Brit. Amber. Oil (par $25)	10	4.38	58¼	56½	57	58	1045	60	47
Can. Nor. Pr. com.	.	....	30	30	30	30	79	30	28
Can. Oil, com.	1¼	5.55	90	90	90	90	10	91	65
Do. pref.	8	7.11	112⅞	112⅝	112⅞	112	38	114	109
Cockshutt pref.	.	....	70	70	70	71	195	73	57¼
Continental Oil	$1.00	....	..	...	...	...	...	26	19⅝
Dom. Eng.	.	....	120	115	120	120	422	120	65
Dryden Power (no par)	.	....	11¾	10	10	12	405	12	5½
East Engineering	.	....	..	...	...	...	...	2½	1
Eng. Elec. com. (no par)	.	....	..	...	...	...	...	24½	15
Do. pref	.	....	74½	74½	74½	74½	10	75	59½
Good & Worts	.	....	33⅞	33	33½	33	2295	36¼	27½
Illinois Power pref.	7	7.10	98⅝	98⅝	98⅝	98⅝	25	99¾	96
Imperial Oil	$1.00	2.87	35¾	35	35¼	35⅝	1291	38½	32½
Inter. Petroleum	75c.	2.30	32⅛	31	32	31	2095	35½	29¼
Manitoba Power	.	....	40½	39½	40	41	145	43	24
Newsprint Co.	.	....	..	...	...	...	...	27	18
Nor. Star Oil com. (par $5)	.	....	1.00	1.00	1.00	1.00	160	1.25	.75
Do. pref.	7	....	..	...	...	...	...	4.90	4.50
Nor. Mex. Pr. com.	.	....	45½	44	45	45	19	55	40
Do. pref.	7	8.53	82	81	82	81½	66	85	81¼
N.S. Car, com.	.	....	..	...	...	...	...	15	5
Page Hersey com. (new)	75c.	6.06	50	48	49½	49	2322	50	43
Do. pref. (new)	$1.75	6.19	114⅛	110	112	110	455	114⅛	100½
McColl Oil, com.	.	....	22½	20¾	20⅞	22½	170	24¾	18⅞
Do. pref.	.	....	99	95	98½	99	231	99½	95
Paton Mfg. com.	.	....	..	...	...	...	...	55	50
Do. pref.	.	....	98	98	98	96	5	99	75
Power Corp. (no par)	.	....	23	23	23	23	100	28¼	22
Pressed Metals	.	....	..	...	...	...	...	40	30
St. Law. (no par)	.	....	48½	48	48½	48	600	50	35
St. Maurice Pr.	.	....	87	85	85	86	275	87	72½
St. Maurice Valley	.	....	62	60½	62	63½	621	65	40
Simpson Robt. pref.	6	6.00	..	...	...	...	...	102	99
Toronto R.S.	.	....	1.95	1.95	1.95	1.95	39-0	1.95	1.10
Un. Secs. com.	.	....	52	50	50	52	55	65	50
Do. pref.	6	5.79	103½	102	103½	102¼	12	105	102
Volcania Oil	63c.	....	31	29	30	31	676	31⅞	26
Can Nor. Power, pref.	7	7.60	92	89¼	92	90	330	94½	89¼

Gotfredson Truck for Fire-fighting Apparatus

Two Canadian firms, the Gotfredson Truck Corporation, and the Bickle Fire Engine Company, Limited, of Woodstock, have submitted the lowest tender to the city of Toronto for the supplying of fire-fighting apparatus having a value of approximately $78,000. The Bickle Company supply the pumping apparatus and the Gotfredson Company the chassis. An interesting feature of the tender is the fact that the rotar type of pump is entirely produced in Canada, while 60 per cent. of the complete unit is Canadian made.

The equipment submitted has passed all tests creditably. The first test of three hours was followed by a second one of twelve, according to the specifications laid down by the National Board of Fire Underwriters of New York.

The Gotfredson Truck Corporation and the Bickle Fire Engine Company first started to make fire apparatus about a year and a half ago, and recently have placed equipment with Halifax, Midland, Whitby, Port Colborne, Welland, Scarboro, Paris and Kenora. All these machines have been operating satisfactorily, and the municipalities have expressed themselves as being well pleased with their equipment.

UNLISTED SECURITIES

	Bid	Asked
Can. Machinery, com.	6	8
Can. Westinghouse, com.	167	171
Cosgrave Brewery	4	5
Cos Imp. Mills, com.	15	16½
Dom. Power, pref.	99	..
Farmers Dairy, com.	48	..
Dunlop Tire, pref.	82	85
B. Greening Wire, pref.	92	95
Gunns, Ltd., pref.	29	31
King Edward Hotel, Deb. A.	77	81
King Edward Hotel, Deb. B.	57	61
Loew's Buffalo, pref.	55	60
Loew's London, com.	3¾	4¼
Pure Food, com.	32	34
Mount Royal Hotel, pref.	38	40
Nat. Grocers 1st pfd.	92	98
Nat. Grocers, com.	5	8
Willard's pref.	65	71
Capital Life 25% paid	21	25
Continental Life 20% Paid	37	..
Crown Life	125	..
Empire Life	26	30
Excelsior Life 29% Paid	59	65
Great West Life	450	..
Monarch Life 10% Paid	29	33
Mortgage Discount, pref.	6.9	7¼
Ontario Equitable	23	26
Re-Insurance	23	26
Security Life 40% Paid	23	32

These Bonds having been sold, this advertisement appears for purposes of record only.

New Issue

$275,000

Granite Club, Limited

6½% First (Closed) Mortgage Sinking Fund Gold Bonds

Dated May 1, 1926 *Due May 1, 1941*

Principal and half-yearly interest (May 1 and November 1) payable in gold at the office of the Company's bankers (now the Dominion Bank) at Toronto, Montreal, Ottawa, Hamilton, London, Ontario, or New York, N.Y. If and whenever such payment is made in New York and the premium on New York exchange exceeds one per cent., the Company may at its option make such payment in the equivalent of Canadian funds plus a premium of one per cent. Coupon bonds in denominations of $1,000, $500 and $100 with privilege of registration as to principal only. Redeemable in whole or in part on any interest date on thirty days' notice at 105 and interest in the first year, and thereafter at a price lower by ¼ of 1% for each year, but in no case at a lower price than 102 and interest.

Trustee: The Trusts and Guarantee Company, Limited, Toronto.

Legal Investment for Life Insurance Companies under the Insurance Act, 1917, Canada.

OFFICERS AND DIRECTORS:

Honorary Patrons:
HIS HONOR COL. HENRY COCKSHUTT,
Lieutenant-Governor, Province of Ontario.
SIR JOSEPH FLAVELLE, BART.
C. C. DALTON, ESQ.

OFFICERS:
President—**FRANK SHANNON.**
Vice-Presidents—**THOS. RENNIE, W. J. NORTHGRAVE, C. L. BURTON.**
Chairman of the Board—**E. B. STOCKDALE.**
Hon. Secretary-Treasurer—**D. C. HAIG.**

DIRECTORS:

HAROLD E. BEATTY, Secretary-Treasurer, Groceries, Limited.
C. L. BURTON, General Manager, Robert Simpson Co., Limited.
R. C. DAVISON, President, R. C. Davison & Co.
JOHN F. ELLIS, President, Barber-Ellis, Limited.
D. C. HAIG, Hon. Sec.-Treas., Granite Club, Limited.
J. D. HAYES, General Manager, Laura Secord Candy Co., Ltd.
FRANK KENNEDY, Toronto Manager, Bell Telephone Co., Limited.
FRANK LITTLEFIELD, Vice-President, Canadian Oil Companies, Ltd.
DUNCAN J. McDOUGALD, D. J. McDougald & Company.
HARRY McGEE, Vice-President, T. Eaton Co., Limited.
W. J. NORTHGRAVE, Pres. and Gen. Mgr., City Dairy Company, Ltd.
W. K. PEARCE, Asst. General Manager, Dominion Bank.
F. L. RATCLIFF, President Ratcliff Paper Co., Limited.
THOMAS RENNIE, President, Wm. Rennie Co., Limited.
G. H. RENNIE, Asst Gen. Manager, Robert Simpson Co., Ltd.
R. B. RICE, President, R. B. Rice & Sons.
FRANK SHANNON, President, Automatic Paper Box Co., Limited.
CHAS. T. STARK, John Stark & Co.
E. B. STOCKDALE, Gen. Mgr., The Trusts & Guarantee Co., Ltd.
JOHN A. TORY, Supervisor, Sun Life Assurance Co. of Canada.
J. G. WEIR, McLeod, Young, Weir & Co., Limited.
I. H. WELDON, President, Provincial Paper Mills, Limited.

From a letter of Mr. Frank Shannon, President of Granite Club, Limited, we summarize as follows.

THE COMPANY—Granite Club, Limited, has been formed to provide a new and enlarged home for its predecessor club, which has been in successful operation in Toronto for the past 53 years.

SECURITY—These bonds are secured by a closed first mortgage on land and buildings, the actual cost of which is $518,488. The amount of the bond issue, therefore, is but 53% of this actual cost. These bonds will also be secured by a floating charge on the furnishings and all other assets of the club.

SINKING FUND—The trust deed provides for a sinking fund sufficient to redeem approximately $150,000 of the bonds by maturity.

THE LAND—The land is situated on the south side of St. Clair Avenue, Toronto, between Yonge Street and Avenue Road. Its cost was $127,500 cash, or 46 per cent. of the amount of the first mortgage bond issue. In view of its splendid location, real estate experts are of the opinion that it will appreciate steadily in value.

BUILDINGS—The actual cost of the club house, rink and artificial ice plant is $390,988. The contracts have all been awarded and sufficient junior moneys, as defined in the trust deed, to complete the work are now in the hands of the trustee for the bondholders to be paid out to contractors from time to time, pro rata with the proceeds of the first mortgage bonds against architect's certificates. The construction of the club house is already well advanced. It will probably be completed and ready for occupation in the latter part of November.

INSURANCE—The trust deed provides that full insurance shall be maintained on the buildings, furnishings and equipment.

MEMBERSHIP—The club has over 1,250 members. Hence its success is assured.

PRICE: 100 and accrued interest, yielding 6.50%

We recommend these bonds for conservative investment.

McLEOD, YOUNG, WEIR & Co.
Limited
METROPOLITAN BLDG.
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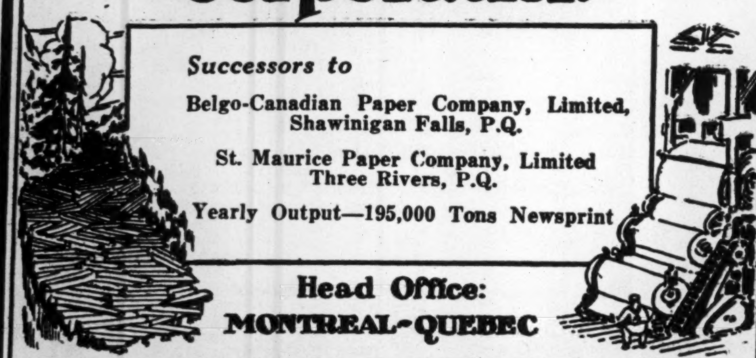
The title to the Company's property and all legal details in connection with this issue have been passed upon by Messrs. Kilmer, Irving & Davis for the Company, and by Mr. W. Kaspar Fraser of Starr, Spence, Fraser & Hall for the Bankers.

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable, and on which we acted in purchasing these securities.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

St. Maurice Valley Corporation

Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint
Head Office:
MONTREAL—QUEBEC

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
Quebec Pulp and Paper Mills
Limited
Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited
Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper
GRAND'MERE - QUEBEC

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
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THE ROLLAND PAPER CO., LIMITED
High Grade Paper Makers Since 1882
MONTREAL
Mills at St. Jerome and Mont Rolland, P.Q.

Pulp and Paper

1927 NEWSPRINT EXPECTED TO BE ANNOUNCED SOON

An Important Factor in Relation to Market for Shares

MONTREAL.—Within the next ten days or two weeks, the contract price of newsprint during 1927 will have been announced, In the meantime the producers are in no hurry to sign contracts for next year. With the demand keeping such excellent step with production there are one or two of those in the industry who feel that the usual autumnal newsprint demand might perchance result in an increased contract price for next year. There appears to be a somewhat general impression abroad at the moment that the 1927 price will remain unchanged at its present price, namely $65 a ton. However, the slightest increase in the demand in the U.S. would undoubtedly result in a bettered price; it is for this increase in the demand for which the producers are waiting. If, contrary to general expectations, the mills were able to demand a slight increase in price, it would prove beneficial to the Canadian newsprint industry as a whole. At present prices, it is necessary for the mills to operate at 100 per cent. capacity in order to ensure any kind of satisfactory profits.

The results which have been achieved this year by the newsprint companies reveal this. They have made satisfactory profits—but such profits have only accrued through the strong demand for paper which has existed since the beginning of the year. Therefore, it is the hope of the newsprint executives to obtain some slight advance in the prevailing prices. Whether or not prices will advance depends, of course, upon the demand which is being experienced at the moment. Fortunately it is strong at the present time. Probably though, it may have to become even stronger to bring about any increase in the price level. But this is decidedly more than within the bounds of possibility, and if the operators can stick together and hold out until the demand grows greater, as it seems bound to do, there yet remains a good possibility of perhaps some increase in price.

SAGUENAY PULP EXCHANGE DELAYED

May Be End of Year Before Quebec Pulp Stock Distributed

From Our Own Correspondent.

MONTREAL.—It will still be several months before the shareholders of the old Saguenay Pulp and Power Co. will be able to turn in their shares in the company and, in return, receive shares of the Quebec Pulp and Paper Mills.

It will be recalled that this company and the Chicoutimi Pulp Co. passed through a re-organization, from which emerged the present Quebec Pulp and Paper Mills. The Saguenay Pulp and Power Co. relinquished all its assets in exchange for stock in the new Quebec Pulp and Paper Mills. The company now holds one share in the Quebec Pulp and Paper Mills for every ten shares of both its preferred and common stock outstanding.

Before the Saguenay Pulp and Power Co. can be finally wound up and the stock in the new company distributed to the shareholders, there are several minor details, such as directors' fees, yet to be arranged. These have been submitted to an arbitrator, who, within the next month or two, will announce his decision on these matters.

Yet Another Hitch

Then the Saguenay Pulp and Power Co. will be in a position to carry out winding-up proceedings. But here will be a further hitch, for the preferred shareholders of the company might lay claim to all the assets, which consist, of course, solely of stock in the Quebec Pulp and Paper Mills. Thus, it is understood that, when the time for final settlement arrives, committees of both classes of shareholders will be formed; these will be authorized to arrive at some equitable agreement as to the distribution of the shares of the new company.

Even presuming that the preferred shareholders of the Saguenay Pulp and Power Co. be entitled to all the assets, the common shareholders, on the other hand, might possibly refuse to wind up the company. Thus, there is the possibility that both classes of shareholders may share and share alike; that is, if one investor holds ten shares of preferred, while another holds ten shares of common, both these shareholders will receive one new share for each of the Quebec Pulp and Paper Mills.

It is hoped that the preferred and common shareholders committees will be appointed and reach some decision on these matters by the close of the year.

Saint Maurice Valley Starts New Machine

From Our Own Correspondent.

MONTREAL.—The first of the two new newsprint machines of the St. Maurice Valley Corporation at the Belgo plant was scheduled to begin operating on October 15—and on October 15 it started. Naturally, the production during the first week or two will be small; it always requires some time to bring the output up to the rated capacity which in this case is 110 tons daily. The second new machine of the same capacity will begin turning out newsprint on December 15 next. At that date the present expansion programme of the company will be completed.

The corporation has completed, also, the installation of another sulphite pulp digester at its Three Rivers plant. This has an output of 65 tons a day it will be in operation about the end of the month. This additional capacity was not required to fill the need for further sulphite pulp to feed the corporation's 220 ton newsprint addition at the Belgo plant, was but installed simply as a precautionary measure to make sure that, in the event of any breakdown in the sulphite equipment, the newsprint production would not be held up. Thus the company will have some surplus sulphite production which will be sold on the open market.

Before the end of the year, the corporation will have a rated daily, newsprint capacity at the Belgo plant of 620 tons and 265 tons at the St. Maurice plant. This will be the largest output of any one Canadian company at that time—a total of 885 tons of newsprint daily. It has, also, an output of 65 tons of sulphate pulp daily.

INTERNATIONAL TO ASK ASSENT NEW FINANCING

Mills at Three Rivers and Gatineau Are Involved

NEW YORK.—Although stockholders of International Paper Co. will be asked at meeting, October 28, to authorize an increase in no-par common stock to 1,000,000 shares from present authorization of 750,000 no-par shares, no plans are under consideration for utilization of this stock. It is understood that the increase is to be considered at this time simply to facilitate any future financing.

Increase in 7 per cent. preferred will take care of the convertible feature of the $25,000,000 6 per cent. 15-year debentures. These call for conversion at any time into 7 per cent. preferred, on the basis of 10 shares for each $1,000 debenture. Sufficient common stock is held in the treasury, included in the 500.000 outstanding no-par shares, to take care of the provision that permits subscription to one share of common at $50 for each $1,000 debenture if conversion privilege is exercised within two years.

Issuance of the $25.000.000 debentures, public sale of which will soon be made by a banking group, is to reimburse the company for past expenditures in carrying out its development program in excess of the amount provided by common stock financing last year. It will also provide part of funds required in the future for the same purposes.

One important development, for which the treasury will be reimbursed, is the doubling of capacity at the Three Rivers mill to about 700 tons. Completed plant represents a cost of about $20,000.000.

The new Gatineau mill, construction of which is well advanced, will approach in size the Three Rivers plant. It will have a capacity of about 600 tons of newsprint, or about 150 tons greater than originally planned. International Paper has acquired since last October timber limits carrying well in excess of 10,000.000 cords of pulpwood. These are principally Canadian Crown land leases. Various other mills, particularly Kipawa sulphite mill and the Bastrop La., kraft paper mill, have also been enlarged.

It is the plan of the company, wherever feasible, to finance power developments separately through independent power companies, rather than by direct issues of the International Paper Co. Financing will probably be done next year by the St. John River Power Co. to cover construction of a 60.000 horsepower hydro-electric development at Grand Falls in New Brunswick.

Consumption of newsprint in the United States and Canada is running at least 15 per cent. ahead of last year, according to an announcement of A. R. Graustein, president of the company.

NEWSPRINT OUTLOOK SAID TO BE GOOD

Greater Consumption of Canadian Product in Europe is Looked for

From Our Own Correspondent.

MONTREAL. — The investment house of Greenshields and Company has published a bulletin reviewing the status of newsprint in the world at large and particularizing on the present state of the industry in Canada. The bulletin sketches the function of newsprint in increasing the consumption of commodities which must accompany the mass production in the United States. It points out, also, that with the advance of democracy, Europe will more and more learn the commercial value of the newspaper; and that it is inevitable that as European countries recover from their present unsettled state, that the newspaper will acquire an increasing importance as a factor in their social and economic progress.

In other words, there will probably be a greater consumption of newsprint in Europe in the future than has been the case in the past.

One indication of this is already seen in Great Britain where the consumption has increased 20 per cent. in the past seven or eight years. The bulletin goes on to make the point that Germany, France, South America and in fact practically all the civilized countries of the world are potentially large users of newsprint.

Speaking of the economic position of the Canadian industry, Greenshields & Co. say: "During the deflation period, which left a path strewn with industrial wrecks, including some of the larger pulp companies, not one of Canada's newsprint companies was to be found in the wreckage."

Price Brothers and Co. May Obtain $400,000

From Our Own Correspondent

MONTREAL.—Shareholders in Price Brothers and Company will be interested in the present evidence which is being given in Quebec in an action which that company is bringing against an insurance firm of Lloyd's for damages totaling $400,000. The case is being conducted in England, but evidence is being taken before a commission in Quebec city.

The suit arises from the company's claim for compensation for a fire loss sustained in its timber limits. Should Price Brothers and Company obtain favorable action from the courts, such an amount would prove a handsome addition to its working capital.

Port Alfred up to Schedule

MONTREAL. — Satisfactory progress is being made in the erection of the third newsprint machine in the Port Alfred Pulp and Paper Corporation's mill. This machine will go into operation towards the end of this month, at which date the capacity of the mill will be 300 tons of newsprint daily. By the end of the year, the expansion program, which calls for the addition of one further newsprint machine of 100 tons capacity, will have been completed.

Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

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Wayagamack Still Strong

MONTREAL.—Shareholders of the Wayagamack will note with satisfaction the strengtht of the shares on the market during the past week despite the reaction of practically all the stocks listed on the exchanges. Such strength further indicates that earnings at present are being maintained at record levels. The annual report for the year which ends November 30 next will undoubtedly prove a very interesting and satisfactory document to the shareholders.

Public Utilities

MONTREAL TRAMS SELLS NEW STOCK TO SHAREHOLDERS

New Issue Made at $125—One New For Every Four Held

From Our Own Correspondent.

MONTREAL. — The long anticipated issue of new stock by the Montreal Tramways Company has at last materialized. For every four shares now held, the shareholders will have the right to subscribe for one new share at $125. The present common share capitalization of the company is $4,000,000; thus the new financing will increase the common stock outstanding to $5,000,000.

Payment for the new issue will be made in three installments: twenty-five per cent. on December 1, 1926, twenty-five per cent. on December 31, 1926, and the remainder on March 31, 1927. The new shares will carry dividends for the quarter ending March 31, 1927.

This operation marks the first financing by means of a stock issue in over ten years. The last stock issue made was in the fiscal year ended June 30, 1916, when 10,000 shares were issued and allotted to shareholders at par, thereby increasing the issued capital to $4,000,000 at which it has remained up to the present time.

While this marks the first stock issue in some years, it will be recalled that last year the funded debt structure of the company was reconstructed and simplified by the authorization of $100,000,000 general and refunding bonds. An issue of $17,826,500 series A, carrying 5 per cent. interest, was made to redeem $17,650,000 outstanding debenture stock at 101, and an issue of series B to the amount of $2,500,000 was also made, the proceeds of which were used partly for capital expenditures and partly to replace $1,750,000 of first mortgage bonds previously in the treasury.

These issues and the issue of first mortgage bonds gave the company a total mortgage debt of $41,823,343 at the close of the last fiscal year.

Shareholders must exercise their rights to the new stock before December 1 next, otherwise the rights will be void. They will receive warrants before the end of this month which will enable them to take up the new issue; subscriptions will be accepted only for full shares. The right to fractional shares must be adjusted by the sale or purchase of rights.

At the present market price of Tramways stock, the rights work out to about $12 per share. The stock issue has been anticipated for several months, and last week. The Financial Post indicated that it would materialize shortly.

The new financing will net the company $1,250,000, which is to be used in various extensions and other capital expenditures.

MEXICAN POWER STARTS NEW PROJECT

Will Build Big Dam to Prevent Floods, Aid Agriculture and Develop Power

The Mexican Light, Heat and Power Company has signed a contract with the Mexican government for the construction of a huge concrete dam which will serve the triple purpose of preventing disastrous floods, conserving water much needed for irrigation, and providing power for a large hydro-electric plant. The situation of this undertaking is the River Lerma, about 100 miles northwest of Mexico City and about 25 miles from El Oro.

The project is in the first place part of the great development scheme of the Calles government. On the high tableland where the best portion of the Mexican people lives, rain falls only from three to five months during the year. Conservation of these flood-waters is, therefore, vitally necessary. With proper irrigation two or three crops can be raised in a year. The proposed dam will impound about 500,000,000 cubic metres of water, sufficient to irrigate about 50,000 hectares of land.

The total cost is estimated at about $9,000,000; construction will start as soon as possible, and it is expected that the work will be completed within a few years. The company, which has had a large staff of engineers investigating the project, expects to be able to make an initial installation of 40,000 h.p. immediately below the dam. Other large hydro-electric stations, notably at Necaxa and Tepixic, have been constructed by the company, which supplies light and power for Mexico City, its suburbs and neighboring cities.

The local directors of this Canadian enterprise are Robert C. Brown, president; Miller Lash, K.C., vice-president; E. R. Wood, G. T. Clarkson and Sir Thomas White, directors. The other directors are E. R. Peacock, chairman; H. Malcolm Hubbard, vice-president, and A. P. Holt, all of London, England, and G. R. G. Conway, managing director, of Mexico City.

Bell Telephone Co.'s Salaries Are Not High

From Our Own Correspondent.

MONTREAL. — Recently, the counsel opposing the present application of the Bell Telephone for a revision of rates suggested that, in recent years, the company had not exercised economy in the salaries paid to its higher officials. The board asked for a statement from the company showing the comparative figures between 1921 and 1925. This statement shows that at the end of 1921 there were but fifty-one employees on the payroll drawing $5,000 or more, with aggregate salaries amounting to $328,680, or 82 cents per station. At the end of last year, the number was reduced to fifty, but the salaries totalled $392,720. On the other hand, extensions to the company's territory reduced the average station cost to 67 cents, so that, while the percentage increased some 19.5, the decrease per station was 18.3.

Quebec Gives Authority To Develop Carillon

From Our Own Correspondent.

MONTREAL. — The conditions surrounding the lease of the Carillon power site by the province of Quebec and Ontario to the National Hydro-Electric Company have been divulged. This company is to develop the site under the aegis of the Shawinigan Water and possibly also, the Montreal Light, Heat and Power Consolidated.

The province of Quebec has agreed to allow the National Hydro-Electric Co. to develop the site under a 60 year lease. The company must start development work on or before December 1, 1927, and before 1932, 100,000 horsepower must be developed. Half of the developed power must go to Quebec and the other half to Ontario. It is provided also that the half of the power held by Quebec must not be exported to the United States or to Ontario without the permission of the Minister of Lands and Forests. The rent payable to the province of Quebec is set at $10,000 annually whilst there is a royalty of 60 cents per horsepower which must also be paid. This royalty is subject to revision every ten years. The contract between Quebec and the National Hydro-Electric Company will be submitted for approval to the Legislature, but authority to proceed with the development without delay has already been granted by an order-in-council.

BRAZILIAN WANTS GRADUAL RECOVERY

Artificial Raising of Exchange Would be Followed by Depression and Lower Earnings

Brazilian Traction has reacted and then recovered in part since it reached its high mark during the recent speculative buying movement. The better tone in the stock in the later dealings was inspired by the performance of the milreis itself which moved above the 14-cent level, touching 14.25 cents, as compared with last week's low of 13.90. This improvement was attributed to the report that the government of Brazil contemplated stabilization of the milreis around 14 cents, instead of at a lower rate, as was feared last week. The stock market made a graceful response to this more definite feature of the situation, and some good buying of the stock appeared. Wall Street continued in unsettled mood, with softness predominating although a pre-holiday rally appeared at the close, which likewise exerted a beneficial influence upon the local market as a whole. Sponsors for Brazilian Traction declare that the lower exchange level will not materially affect earnings of the company, nor alter its very bright outlook in the slightest degree. A stable exchange is more to be desired than a fluctuating rate, as it gives solid foundation on which to work, and build for the future.

During his recent visit to Canada Sir Alexander Mackenzie, president of the company made the statement to The Financial Post that Brazilian had more to gain from a moderate gradual recovery of exchange than from a forced return to normal. The latter would mean immediate benefits to shareholders in the higher value of the company's profits in terms of dollars, but would undoubtedly be attended by trade and industrial disorganization which would curtail production and power consumption and eventually affect the company's income.

Canada Northern Has Satisfactory Earnings

From Our Own Correspondent.

MONTREAL.—During the first eight months of the current year the Canada Northern Power Corporation earned a substantial surplus after meeting all operating expenses and all charges for preferred dividends. The gross earnings of the corporation for the month of August amounted to $210,201, and, after operating expenses, maintenance, taxes and water leases of $61,529, there remained $148,672. Of this amount, bond interest on subsidiaries required $55,000, and preferred dividends of subsidiaries took $12,000, leaving a surplus of $81,672.

For the eight months' period gross earnings were $1,645,779, and, after charging operating, maintenance, taxes and water leases amounting to $475,940, net earnings totalled $1,169,839. Bond interest on subsidiaries required $450,114, and preferred dividends on subsidiaries $96,000, leaving a surplus of $623,725.

The company is building a transmission line from the plant at Indian Chutes into Kirkland Lake, a distance of 28 miles, with a view to improving the service to that camp. Good progress is being made on the new transmission line from the Quinze River plant into the Rouyn mining field of northern Quebec. All the poles are in position and wire has been strung for a distance of 43 miles out of the required total of 50 miles. It is expected that this line will be completed and in operation by November 15. This line and the one to Kirkland Lake are costing about $750,000. The engineering work is being done by the Power Corporation of Canada.

STREET RAILWAYS HAVE THEIR PLACE IN THE BIG CITIES

Vice-President Ottawa System Discusses Motor Competition

Reference by the Ontario Deputy Minister of Highways to the increase in motor traffic and the prediction that in ten years there would not be ten lines of electric railways in Canada able to show a profit, while probably meant to refer to suburban systems brought a reply from F. D. Burpee, vice-president of the Ottawa Electric Railway, regarding transportation conditions in that city. Mr. Burpee says that in the larger cities there are more street cars in operation to-day than when the automobile was first put on the market. He observes:

The best evidence that the shareholders and management of the Ottawa Electric Railway have faith in the future of the street car as the safest and most efficient means of local transportation, is in the fact that within the past few years they have expended the large sum of $2,250,000 in new cars, car shops, track extensions and other improvements in the local system. And this in spite of the fact that the company's franchise from the City of Ottawa gives it a monopoly of the transportation business within the city limits by street car, motor bus, or any other vehicle for the carriage of passengers.

True there have been efforts made to motorize some cities, but in each case, where the city was of any size, the experiment has been a dismal failure. In Des Moines, in Saginaw, in Bridgeport, even in Akron, "the rubber city," the folks who clamored for a chance to ride on rubber were as insistent, after a test of the value of the buses, on a return to the trolley. They welcomed the street cars back on any terms.

The electric car is more comfortable than a bus. A trolley rider can ride and read. A vehicle running on rails can absorb the shocks more easily than one which has to take all the bumps of the roadway. Women, who were the first to demand a change of transportation in the cities listed above, were the first to plead for the restoration of the street cars. They missed the roominess of the electric car.

Where there is a scarcity of traffic the bus can provide service more cheaply than the electric car, but in communities where there is a considerable traffic street car rides can be furnished at a lower figure than by any other means. While it is undoubtedly easier to finance a small bus company, and during the first few years of operation a surplus may be shown if the accounting is not thorough, there is a later item to consider—wear and tear—which is felt enormously more by the bus than by the street car.

The cost of the street car as compared with the bus in proportion to seating capacity is about the same, but the life of the street car is at least four times that of the bus. The life of a street car wheel compared with the life of a bus tire gives some idea of the comparative maintenance costs. A cast iron car wheel costs, after deducting scrap value, about $9. It is capable of running from 30,000 to 50,000 miles. A tire for a bus costs $75 to $100 with a scrap value of a few cents, and the mileage attained is about half that of the latter.

On the other hand, the fact that the electric railways require the greater financial backing at the start, gives those systems a greater stability and inspires more confidence than do the ventures that may be here to-day and gone to-morrow.

Of all vehicles, the street car is the most economical user of street space. It is always on the move. It never parks. Moreover, it is the safest vehicle. The very fact that it is running on rails makes for safety. You know which way it is going and can co-ordinate your own movements accordingly.

Only experienced transportation men realize the fallacy of attempting to handle the passenger traffic of a city by bus alone, yet none of them will say that the bus is not a useful passenger carrying vehicle. In the Republic to the south 260 street railway companies are now operating 5,000 buses. These buses are not being substituted for street cars, but are being used to supplement and feed the street car lines.

The best service which can be rendered to any community will be obtained when all its transportation facilities are coordinated and regulated under one management, and the lowest fares consistent with efficient service when competition is eliminated.

Public Utility Earnings

NORTHERN MEXICO POWER

	1925	1926	Incr.
August—			
Gross	$ 90,593	$111,799	$ 21,205
Net	71,935	90,,304	18,369
Eight Months—			
Gross	655,400	836,493	181,093
Net	502,146	670,484	168,337

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T. & N. O. Surplus Likely To Reach Million Mark

Ontario's treasury department expects the T. & N. O. Railway will present it with a surplus of around $1,000,000 this year. The fiscal year ends Oct. 31, and the figures will be available in November. Chairman Geo. Lee, it is expected, will have an excellent report, the best yet, to present. It is an indication of the progress being made. Passenger traffic is declared to have made a new record in the twelve months, and consignments of general freight, supplies and mining machinery and other agencies of development have also been handled in record volume.

The showing of the railway is in spite of the fact that the National Railways no longer give the road their freight traffic from North Bay to Cochrane, but handle the business themselves via the Nakina cut-off. This loss of C. N. R. business affects the T. and N. O. revenues by $150,000 to $200,000 per year.

ALDRED ISSUES DENIAL

Denial has been made to published reports in a number of newspapers that Aldred & Company, one of Wall Street's important public utility banking houses, was back of reported plans for consolidating a number of important power and paper properties in Canada. J. E. Aldred, of Aldred & Company, issued the following statement: "Referring to rumors connecting our name with various proposed mergers of power and paper companies in Canada, we wish to say that we have no interest in any such schemes as have been rumored, nor have we taken any measures that would make possible the putting through of any of the proposed schemes of consolidation which have been rumored."

Nesbitt, Thomson Changes Staff

MONTREAL. — The investment house of Nesbitt, Thomson & Co., announce that Harrison, Gilmour, manager of the Winnipeg branch, and A. H. Smith, manager for Ottawa and Eastern Ontario, have been appointed directors of the company, and that R. H. Dean, manager of the trading department, J. Sharing, manager of the French department, S. A. Mullin, manager of the Toronto branch, and D. K. Baldwin, manager of the Hamilton branch, have been taken into the business.

NEW VANCOUVER BROKERAGE HOUSE

G. S. Rothwell, secretary Vancouver Stock Exchange, has resigned that position to enter partnership with W. H. Nanson in the brokerage house of Nanson, Rothwell & Co., Roger's Bldg., Vancouver. Mr. Nanson was president of the exchange 1925-26.

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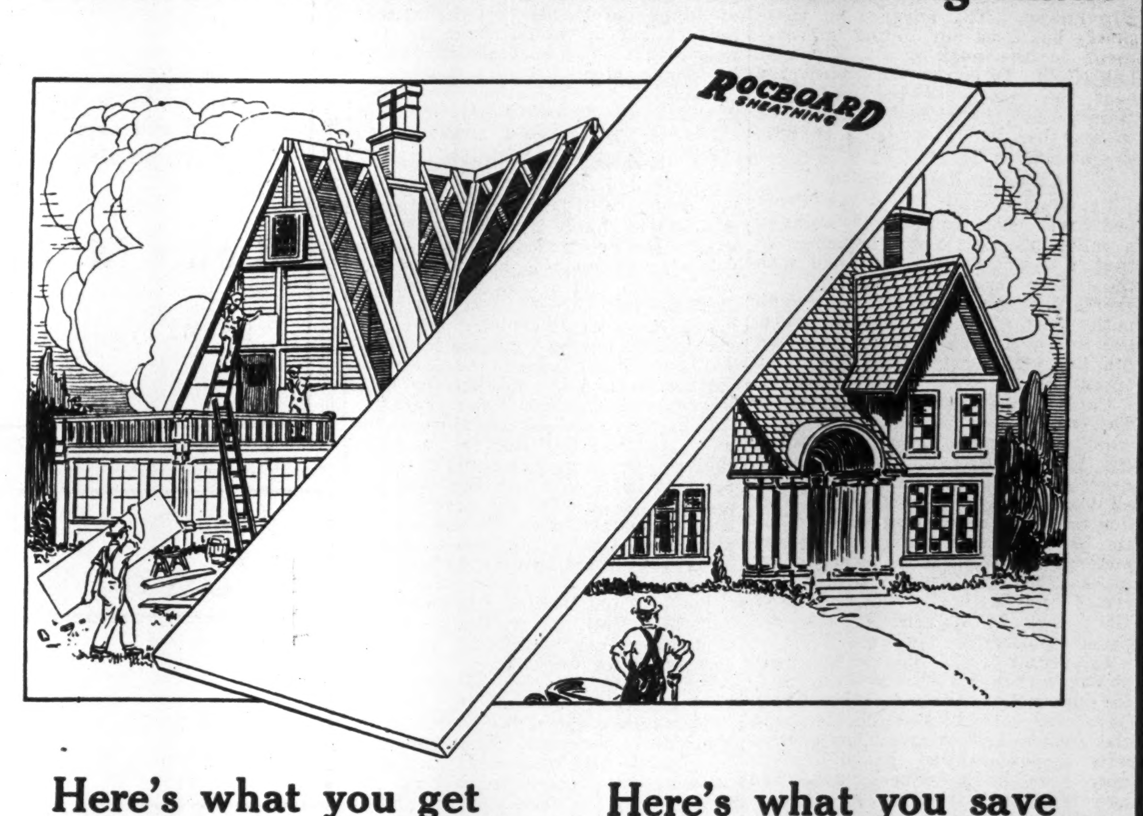

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News of the Mines: *A Department for Executives and Investors*

SOME OF SILVER STOCKS SEEM TO BE UNDULY LOW

Rather an Interesting Mining Market Has Prevailed All Year

The year to date has been marked by an interesting mining market. Prices have been steady throughout the year as a whole, until the recent break in the price of silver shattered the market for most of the stocks of the silver producers. A perusal of the table attached to this article shows that there have been some remarkable advances in a number of cases and also some heavy losses. The table shows that the market eased somewhat during the summer months but that most of the good stocks are back around the high marks pretty well. There has been much talk of a bull market this fall. Some say this is impossible as the stocks are already either high enough or too high. On the other hand, there is a wealth of good news coming out of the north and this is bound to keep the interest up.

Many are casting their eyes towards Quebec. The reason is that they expect that when the news of the season's development in this camp becomes known that it will provide market leadership. This may work out and it may not. It is generally believed that the good Quebec news has been coming out quite steadily and that just at the moment there seems to be a dearth of the kind of news that would incite the public to the point of placing the Quebec issues to the front any more than they are at the present moment.

Amulet Doing Well

Amulet shares are selling considerably below the high for the year. The company is reported to have met with some new successes on its northern group. Nothing official has been issued but it is understood that a full statement will be forthcoming shortly.

Elsewhere in this issue will be found an article dealing with the advance in Argonaut shares. These are now selling at the high for the year. The company has staged quite a comeback when it is remembered that after selling up close to $1 the shares dropped back to as low as 8 cents.

Area has had a pretty steady market. There has been an aggressive exploration of the company's holdings and some good information may be forthcoming at the end of the season.

Barry Hollinger shares have well repaid those who have held closely to their shares. The company has some good looking ore and is reported as meeting with better success on its deeper levels. While the mine cannot be said to be out of the woods to the same extent as Argonaut seems to be, it is coming along rapidly.

Beaver's position is pretty generally known. The advance in these shares has been due to the improvement in the position of Kirkland Lake Gold. Of course the controversy over the selling of the company's main asset, Kirkland Lake Gold shares, has had a tendency to hurt the market.

Canadian Lorrain Back

Canadian Lorrain shares have dropped back. This company is building a mill but it is not producing, so that it is not as yet concerned with the silver market. However, the shares have weakened a little in sympathy with the other silvers, doubtless due to some selling by those not familiar with the true position of the operation.

Capitol and Castle are both weak. The weakness in the former is somewhat surprising. The silver price is the latest factor in Castle's weakness, although the shares have been slipping for some considerable time due to some unexplained cause. Castle has met with sufficient success underground to meet the expectations of shareholders. It may be that the street figures that dividend declarations may be delayed by the low price of silver.

Coniagas and Coniaurum are strong, although both had an off period during the summer months. There have been some bullish reports going the rounds and these in conjunction with the expectation that mill plans may soon be announced, awakened new interest in the issues. Goldale and Newray are interested in Coniaurum and are stronger for this reason.

Consolidated West Dome is back to where it was the first of the year, due to reports that the company has been meeting with success in developing new ore.

Dome has everyone guessing. Some are getting quite angry over Dome's position and are talking of dismissing Mr. De Pencier, etc., etc. The reason is that they are not getting information in regard to the position of the enterprise. There is an old saying that the market never lies and while this may not be true in more than 50% of the stock issues, it may be giving the true position of Dome. In other words, Mr. De Pencier's silence would seem to be due to the fact that Mr. De Pencier is busy looking for new ore and not having found anything worth while as yet, he has nothing to report.

Factors to Consider

A factor not to be overlooked in considering the market for Dome shares is the emphasis placed lately on the fact that Dome must draw from its dividend assurance fund. The Post pointed this out months ago. The last annual report showed this would be necessary. The writer is inclined to suggest that there is a little too much impatience in regard to the Dome situation and the public is playing into the hands of the bears. Dome has been a good mine for a number of years. It didn't go to pieces in a few months. Mr. De Pencier, at the last annual meeting, was bearish, but no one wondered at that, but if the mine situation was as bad, why did so many of the insiders and their friends load up with the stock at prices from $19.20 to $19.60, and in a number of cases they are known to be still holding the stock. One brokerage house recently asked if the Dome picture was as bad as it was being painted. It may be the right viewpoint at that.

Goldhill shares have come in for considerable attention due to the success the company has been meeting with in Boston Creek. This operation has awakened a new interest in Boston Creek and the camp is now quite active.

Hollinger shares have eased back a little from the high, but not much. There has not been much talk of late of higher dividends for the shareholders but it would seem to the writer that some such action should be soon mooted.

Keeley's recent success in finding new high grade ore has been overshadowed by the silver market.

Kirkland Lake Situation

Kirkland Lake Gold has been up and down. Will Beaver distribute the million odd shares it has in its treasury? The present control is bent on doing so. Can the new board,—it would seem that a new board will be elected,—stop them? If the old board, in its dying moment tries any such move, a legal squabble is likely. This will likely have a tendency to further weaken the market for both Beaver and Kirkland Lake shares.

Lake Shore and Wright Hargreaves have stood up well during the year. Both are still expanding and it is difficult to judge just how big they are going to be or what the shareholders may ultimately expect in the way of dividends. Double the present declarations should not be very difficult for either.

La Rose and McKinley Darragh are both off. Both are old Cobalt silvers that have been slipping. There is talk of McKinley closing. This may come about, although the directors have not considered the matter.

McIntyre is down fairly well from the high of the year. Elsewhere will be found the quarterly statement showing that there is nothing the matter with the mine and the shares should be worth as much to-day as a month ago.

Mining Corporation shares have

(Continued on page 31)

McIntyre Earnings Are Somewhat Below Previous Quarter's Total

McIntyre earnings for the first quarter of the fiscal year show a decline when compared with the two previous quarters, though an increase over the first quarter of the last fiscal year. The drop in gross production for the Sept. 30 quarter was $31,000 below the June 30 quarter. Costs the last quarter were also considerably lower than the two previous quarters and non-operating revenue was slightly lower. Tax provision was slightly higher for the last quarter and the net before depreciation while falling below the June quarter was higher than the March quarter by $6,000. The figures for the last five quarters follows:

	Quarter Sept. 30, 1925	Quarter Dec. 31, 1925	Quarter Mar. 31, 1926	Quarter June 30, 1926	Quarter Sept. 30, 1926
Gross recovery	$886,117	$946,688	$972,399	$999,568	$968,800
Costs, including development	518,793	539,178	537,812	525,538	519,979
Operating earnings	$367,324	$407,510	$434,587	$474,030	$443,821
Non-operating revenue	24,000	24,972	27,853	27,577	25,990
	$391,364	$432,482	$462,441	$501,607	$469,810
Less provision for taxes	18,754	14,887	18,604	14,267	20,257
Net earnings before depreciation	$372,610	$417,595	$443,836	$487,339	$449,553

Two Quebec Operations Figure in Amalgamation

Harricana Gold Mines, it is understood, will amalgamate with Kieniawisick Gold Mining Co., Boston. Latter's holdings adjoin those of Harricana. New company will have 700 acres situated between the Stabell and Clark-Bourlamaque properties, and will be known as Harricana Amalagamated Gold Mines.

It is said that the merger will be consummated by the end of November, and at that time new financing will be undertaken. New company will sell shares at not less than 40 cents per share to net the treasury some $100,000. Such financing will allow the company to begin diamond drilling next spring, and to start sinking shaft, which it is intended to drive first to 300-foot level.

New York Group Will Purchase Montreal Rouyn

Montreal Rouyn Mines is negotiating with a New York group for sale of its assets on a basis of $500,000 for an 80 per cent. interest. Walter Rukeyser, New York mining engineer, is here conducting the negotiations. The group agree to pay 10 per cent. cash within ten days of the acceptance of the offer; then 15 per cent. in 90 days, and 25 per cent. every 90 days thereafter.

A special general meeting of Montreal-Rouyn shareholders to consider the offer is being called for the first week in November.

It is understood that New York interest in this property is resultant from the favorable reports of Walter Rukeyser. The property, staked in 1923, adjoins Amulet and Noranda in Rouyn Tp.

ARGONAUT RESULTS ON 1,000 FT. LEVEL ARE MUCH BETTER

New Shoots Justify Management in Making Increase in Tonnage

The strength in shares of Argonaut Consolidated Mines reflects the improvement that has taken place during the last couple of months at that property. There is a strong feeling abroad that the venture is now out of the woods, due to the excellent development results obtained on the 1,000-ft. level. The mill is to shortly start handling 150 tons daily, and the mine at present has one year's ore showing for production at that rate.

However, the outlook for new developments are most promising. Already two excellent shoots have been opened at the 1,000-ft. level, one 150 and the other 130-ft. long, showing high gold and copper values over good widths. Besides diamond drilling in horizontal holes, has indicated mineralized zones in close proximity to the shaft that will place the venture in a very fine position if lateral development confirms the results secured in the drill holes. There are possibilities of at least three new ore zones on the 1,000-ft. level.

Managing Director J. A. Naud is much pleased with the results to date. In conversation with the writer he recalled some of the lean days of the operation when the supply of ore ahead of the mill was negligible and was saved by the discovery of three fair shoots on the 300-ft. level. The 1,000-ft. level looks to be much ahead of any other level in the mine. What is taken as a promising indication is the fact that one of the new shoots on this level enters the large dyke which the shoots had paralleled on the upper levels. This is regarded as favorable and presents a possibility of a great concentration of values.

BARRY RICH SHOOT 100 FT.

Barry-Hollinger has developed the spectacular ore, found on the 350-ft. level, for 100 ft., and values are still good in both faces, west being 9 ft. wide. Samples at 20 ft. intervals show values $12 to $68.

SHINING TREE AWAKENS

Reports are that considerable work is being done in Shining Tree district. There are quite a number of idle properties. Algonquin has recently reported finding new vein system.

KERR LAKE IS STILL GETTING SOME ORE

Manager Suggests Better to Await Time When Low Grade Can Be Mined

Kerr Lake silver production from its Cobalt property for the fiscal year ending August 31, 1926, was 9,035 ozs. The ore came from developing veins adjacent and paralleling the main east vein, and while the possibilities of high grade are not exhausted, Manager R. R. Brown suggests that this mining and exploratory work could better be done at a time when it would be possible to handle low grade mill rock. This is not possible with the present low price of silver.

Mr. Brown reports on the claims staked in Dufresnoy Tp., Quebec. Some surface work was done but he has nothing to say about the group than that they contain formation similar to that of other properties in the area where commercial deposits have been found.

Treasurer Westlake points out that besides paying $600,000, or $1 per share, in return of capital, the company has distributed during its lifetime $9,660,000 in dividends to August 31, 1926. In the fiscal year $150,000 was distributed.

Kerr Lake Mines balance sheet shows assets of $3,274,948. Current, $7,587; Investments in outside properties include Tahoe Mine, Utah, 1,001,000 shares, cost $397,000; Rimu Dredging, New Zealand, 95,242 ordinary shares $400,017, and 15.265 preference, $52,890 or $452,907 and 132,000 Wetlauffer shares, South Lorrain, $6,600, and prospecting advances $6,265, or $862,772. Sundry liabilities include $6,553, and unclaimed dividends $4,119. While balance to profit and loss stands at $864,276. During the year the company received $65,000 in dividends from Kerr Lake Mining Co., the operating subsidiary.

Iron Ore Problem of Canada Near Solution

Hon. R. J. Manion, Fort William, states that recently he discussed the iron ore problem with the honorary advisory council for scientific and industrial research, a non-political body, established for the last ten years in Canada, and was informed that this council has appointed a sub-committee on iron ores and that this sub-committee has been carrying out a special investigation into low grade iron ores and titaniferous ores, of which there are enormous deposits in Canada. The investigators have come to the conclusion that in the near future a complete solution of the problem will be worked out so that with the aid of a small bonus Canadian ores will be made available for use. The mining department at Ottawa is working in co-operation with the council.

Smelters Shares React to Around 230 During Week

Smelters shares have sold off to 230 during the past week. No explanation is available other than that there was more stock offered than there was business for. The company is still driving ahead on its expansion programme. The excavation has been made for the new zinc plant addition at Tadanac, while the addition to the lead refinery is about ready to go into operation.

Can't Blame Canadians for Brit. Controlled Oil Fiasco

"In our market report we have duly chronicled week by week the rapid decline in the preferred and common shares of that grandiloquent concern the British Controlled Oilfields, Ltd., which has recently developed into a slump of the first magnitude," says "Canada." "In the ordinary way this would have been a quite sufficient reference to a company which has attained a notoriety in the oil world out of all proportion to its success as a producing organization. But in view of the prominence given by the board of directors (headed by Lord Buckmaster as president) in their statement to the shareholders to the fact that the company was 'incorporated under the laws of the Dominion of Canada,' it is well to point out that, whilst the concern is a Canadian company so far as its registration is concerned, there its connection with the Dominion ends to all intents and purposes.

"Granting that when the old Bolivar Concessions Company on its small capital of £30,000 developed into the infinitely more ambitious British Controlled Oilfields with its huge capital of $45,000,000, certain Canadian interests became associated with the 'Controlled' company, from start to finish the parent and its inflated offspring have been in their origin and control British—indeed the very words 'British Controlled' imply this beyond dispute—insofar as the company is concerned, which has at times been so prominently in the limelight, notably when its shares were lifted, as the result of hectic speculation, to levels which it is now obvious were out of all relation to the company's prospects.

"In view, however, of the prominence given to the downfall of this ambitious undertaking and the prospective heavy loss to British investors involved in the necessary writing down of the capital to provide for this, reflected by a decline in the market value of the shares to a few shillings—it is imperative that it should be made quite clear that the company's only connection with the Dominion is the fact that it was found convenient by its sponsors to register it in Canada."

Our first advertisement recommending the purchase of

MONTREAL ROUYN MINES

appeared on August 24th. The stock has had a continuous upward movement since that time.

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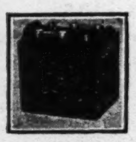

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News of the Mines

MYERS, OF BINGO FAME, DEAD, HIS MINE UNPROVEN

His Northern Manitoba Venture Proved Rather a Sensation for Mining

Joseph Myers, of Bingo fame, is dead He was suddenly stricken this week on his arrival from The Pas.

What will become of the Bingo now is a problem. Myers was the driving force behind it. Doubtless the venture would have passed on long ago only for Myers, after the experiences which it has gone through.

Bingo was declared to be of no commercial value, in so far as known, by two competent engineers. Myers declared that it had value and to prove his contention, erected a 10-ton mill on the property at his own expense. This mill has already been run. Either results were unsatisfatcory or not conclusive or they may have been good and Myers wanted to have figures on a long run to make the surprise complete. Anyway, so far as can be learned, no announcement of the mill tests which Myers had so much faith in, have been made public. Following the reports of the engineers who, on sampling the property, got very low values, when the mine was supposed to contain a tremendous tonnage of $28 ore, Myers declared that sampling was no good and that only by a mill run could the real values of the mine be revealed. He was very positive in his assertions that the mill run would show consistently high values.

Wind-Up Canadian Bingo

Just recently steps were taken to liquidate the Canadian Bingo Co. and distribute its assets which consisted of shares in the English Bingo Co. Myers was managing director of the English Company.

Joseph Myers had an interesting career in Canada. He first became interested in a syndicate owning one claim, now a part of the Bingo property at Herb Lake, north of The Pas in Manitoba. Later a Canadian company was organized and after some work was done, Myers was instrumental in interesting a London group in the venture and subsequently sold cotrol to an English company. Progress reports on the development of the property proved rather sensational in the values reported and the extent of the ore body. A tremendous tonnage of ore, said to average around $28 per ton was reported down to the 500-ft. level. John Reid, a Cobalt engineer, was retained as consulting engineer. His sampling of the property failed to reveal any such an ore body or such values, and subsequently John Dresser, Montreal engineer, made a report on the property. Mr. Dresser, it can now be revealed, had about the best crew of samplers possible. They were skilled workers, trained by Douglas Wright, Dome geologist, and lent to Mr Dresser for the occasion. His report coincided with Reid's. Subsequently Myers was arrested in London and came back to Canada to face a series of charges. Robbed of their legal phraseology, the allegation was that the Bingo mine samples were salted and that Myers was responsible. The charge and subsequent ones failed. Myers was honorably discharged.

It is rather interesting to recall that the prosecution's contention in regard the salting of the samples, was that the sample bags which were sent to the mine at Herb Lake were first salted with finely filed gold, so that immediately samples were placed in the bag the samples were automatically salted. The strange part of it seems to be that in taking out the samples from the bags for assaying, such a uniformity of values was secured. The fine gold if placed in the bags, would certainly adhere to the texture of the bag and work into the seams. The prosecution's contention may have been the correct one but it semeed to have its weaknesses. Myers contended that he was being persecuted by the prosecutions and of late it has been rumored that he intended to start something that would reveal everything. If such was the case, his death will likely end the matter. Myers was 52 years old.

NINE OF ONTABEC'S GROUPS OPTIONED

Harvie Mining Co. May Take Up Property Adjoining Archean

Harvie Mining Co., a subsidiary of Harvie-Smith Co., with large operations on Archean Mines, in Clericy Tp., Quebec, may take up a material interest in the Ontabec group in the same township. Five distinct copper areas have been found on this property which adjoins the Archean.

Massive copper sulphides and disseminated copper values have been encountered. Development work on the property is under the direction of Dr. Harvie and the Ontabec Co., in a letter to shareholders, says that Dr. Harvie is now making overtures to Ontabec, whereby the Harvie Mining Co. will obtain a substantial interest in Ontabec's Clericy property for a large cash consideration.

The exploration work carried on by Ontabec's staff this summer in North Dufresnoy was encouraging, large areas of mineralization were found on Group No. 10, with the result that this property is now being negotiated for by a syndicate of business men, with a view of forming a large mining company with these claims, and a number of other mining properties. Ontabec is to receive $5,000 and 300,000 shares of stock in the company which is now in the course of formation. This company will be financed by British capital.

Arrangements are being made to have Groups 9, 11, and 12 electrically prospected this winter, when the ground will be sufficiently frozen to enable the prospecting staff to work on swamp as well as outcroppings. No. 9 group shows promise and Fred. W. Thompson reports good copper values revealed during assessment work this summer.

Groups 3, 4, 5 and 6 of Ontabec are being operated by mining concerns, and the above deals will make nine Ontabec properties being developed by outside money.

NEW DIRECTOR OF GRANBY

N. L. Amester has been elected a director of the Granby Consolidated.

Algoma Central Ry. Opens Assay Office at The Soo

Algoma Central Railway Mines Department has opened an assay office at The Soo in charge of Geo. W. McLeod, consulting mining engineer. This should prove a great help to prospectors and companies in the Goudreau country.

DUPRAT AWARDS CONTRACT FOR WORK

Swedish Electric Apparatus Will Plot Ground for Diamond Drill

It is announced that Duprat Mines has placed a contract with the Swedish Electrical Co., New York, to make an electrical survey of the company's two groups in Duprat Tp., Northwestern Quebec. This method of conducting preliminary surveys has been proven of material value in Quebec and was recommended to Duprat people by Jos. Houston on his first examination following his appointment as consulting engineer. Mr. Houston wants to do considerable diamond drilling of the claims because of the shoring on the adjacent properties, Waite-Montgomery and Amulet near the north group, and Consolidated Smelters and Nipissing near the south group, but believes that this drilling will be much more effective if planned after the mineralized zones have been first located by the Swedish electrical survey.

Some excellent showings have already been encountered in the work done on Duprat. There has been a heavy demand for the Swedish operators in the Quebec country and it is reported that because of the limited equipment available, that contracts are now being handpicked and properties regarded as having the most merit examined. Duprat shares are listed in Montreal where they have been heavily traded in of late. However, a great deal of the trading has switched over to Toronto and for this reason, the shares are soon to be listed on the Standard Exchange, Toronto.

MINING STOCK QUOTATIONS

Week Ending October 12

	High for wk.	Low for wk.	Close Oct. 12	Close Oct. 5	Sales for wk.
Amulet	1.41	1.35	1.40	1.45	54375
Algonquin	4	3¼	3¼	3½	70000
Apex	3	3	3	3	1300
Area	28	26	26¾	26½	3600
Argo. Con.	43¾	35	43½	37	448825
Atlas	3	2½	2¾	3	19000
Baldwin	5⅞	4¼	4¾	5¼	188800
Barry Hol	69	64	68	68¾	162000
Beaver	85¼	82	85¼	84½	71200
Bellellen L.	22	21½	21½	21½	15500
Bidgood	6	5	6	5	3000
Boston Creek	7	6	7	6	6500
Bourlamaque	1.20	1.15	1.18	1.15	58800
Buckingham	4	3½	4	4	7000
Can. Lorrain	66	62½	62½	66	29300
Capitol	33½	28	30	29	92625
Castle Tre.	1.25	1.20	1.20	1.32	74844
Chaput H.	14½	8¼	10⅝	11	376800
Clifton	2	1½	1½	1¾	25000
Coniagas	4.40	4.25	4.40	4.35	2175
Coniarum	4.50	3.65	4.05	3.70	8810
Col. Kirk.	3½	2¾	2¾	3	20000
Cons. Smelt.	238¾	226	230	235	17673
C. W. Dome	24	21½	23½	23¼	152170
Crown Res.	9½	9	9	8¼	20000
Dome Mines	10.10	8.90	9.15	10.10	18855
Don Rouyn	43	34	38	45	19100
Dupuy	31¼	30⅛	31	32¾	4250
Duprat	20	18½	20	19½	122250
Fiske	15	12	13½	14	7400
Everett	5½	4¾	4¾	5¼	28200
Goldale	35½	32	34	33	53900
Gold Hill	47	44½	46¾	47½	34748
Gold Reef	2	1½	2	1¾	6500
Gladstone	36	36	36	35½	1000
Gold Belt	1.15	1.15	1.15	...	100
Hill Top	23	22	22	22¾	13100
Hollinger	19.00	18.70	19.00	19.00	1850
Indian	4½	4½	4½	4½	15000
Int. Nickel, c.	36¼	35	35⅞	35½	5758
Jay Copper	76¾	75½	76½	75⅝	28000
Keeley	1.50	1.43	1.46	1.50	33250
Keora Mines	18¼	16½	17½	18½	11100
Kirk. Hunt	21	11¾	18	13¾	142850
Kirk. Lake	1.00	97½	1.00	99¾	80500
Lake Shore	14.15	13.80	14.10	14.25	5760
Lakeside	4	2⅞	3½	3	120500
Laval	24¾	23¾	24	24½	23600
La Rose	7½	6	6	8	5600
Lorrain	5½	3¼	3½	3½	12250
Lorrain T. L.	50	50	50	55	1100
Macassa	37	35	36	36	2700
McKinley	11	9¾	9¾	10½	27100
McIntyre	24.25	23.50	23.50	24.30	8371
Millcrest	6½	5½	5⅞	6	23500
Mining Corp.	3.10	2.88	2.88	3.15	31505
Mont. Rouyn	53	40	36	40	51075
Noranda	19.00	18.60	18.80	19.30	19786
Newray	42	37½	42	37	2800
Night Hawk	6¼	5¾	6	6¼	12400
Nipissing	5.60	5.50	5.55	5.60	5340
Pete. Lake	10¼	9¾	10⅛	9¾	47650
P. L. Cobalt	31	29	31	29½	198266
Porc. Crown	6	5	5	5	1000
Porc. Keora	8	8	8	9	5500
Premier Gold	2.10	2.05	2.06	2.05	6700
Preston	7⅝	6½	7	7½	15400
Rouyn	3	2	2¾	2½	2000
Rouyn, Que.	2	1¾	2	1¾	1500
Sylvanite	1.85	1.85	1.85	1.70	500
South Keora	12	11½	12	12	2000
Stadacona	43½	42	42	42½	52500
Teck Hughes	4.69	4.53	4.71	4.64	60393
Timiskaming	10½	8½	10½	11	600
Thomp. Krist.	1¾	1¾	1¾	1½	2000
Tough Oakes	46	41½	46	43	78250
Towagamac	3.80	3.30	3.50	3.70	10365
Vickers	92	88½	92	89	33950
Vipond	1.72	1.70	1.71	1.71	32433
Wakenda	2	2	2	2	500
Wasapika	1¼	1	1¼	1½	5000
West Tree	2⅞	2¾	2¾	2½	6000
Wettlaufer	4	4	4	4½	1600
Wigwam	5	5	5	6	1500
Wright Har.	8.65	8.30	8.40	8.70	4400

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ANGLO EXPLORERS INCREASE FUNDS FOR MAN. EFFORT

Proposes to Issue 25,000 New £1 Shares to Spend on Central Manitoba

Of the issued capital of 3 310,000 $1 shares of Central Manitoba Mines, Anglo-Canadian Explorers, John Taylor & Sons, London Co. holds over 1,500,000. Anglo-Canadian has just increased its capital to £325,000 by creating 25,000 £1 shares and two shareholders agree to take 20,000 of these at par, but all shareholders are to first have the opportunity to subscribe.

Hon. Lionel Holland, chairman, told shareholders at a London meeting that the funds were to be used to complete and consolidate the most important of their mining interests in Canada—holdings in valuable properties which had been amalgamated in a company registered in Manitoba, the Central Manitoba Mines, Ltd. The year had been marked by developments of great consequence and of favorable augury. It had been the purpose, if developments warranted it, gradually to obtain a still more substantial interest in the Central Manitoba mining area of 560 acres, covering about 7,000 ft. along the strike of the Wad lode. Thomas Pryor, company's mining engineer, in a recent report on the property, wrote: "The great strength of the lode, coupled with the ore shoots already disclosed by trenching across the exposures on surface, makes this mine a very promising proposition, warranting vigorous exploration to bring it to a producing stage as soon as possible."

Central Manitoba mines will soon make a public issue of 1,000,000 shares and the intimation in the London report is that these will go out at par, $1, the fund to be used for a mill and general expense in bringing the undertaking to the producing stage.

Mr. Holland, in dealing with the Central Manitoba property, said:

Beneath where surface trenches had already exposed a wide, strong lode of good milling ore for over 980 feet a shaft had been sunk to nearly 400 feet vertical, with stations at 125 feet and 375-ft. levels, from which crosscutting and drifting work was proceeding. At 375-ft. level drifting upon a strong-looking vein, well mineralized, from five feet to six feet in width, had as yet only disclosed ore of sporadic values, improving, however, as work advanced. But already down to 125-ft. level it was safe to reckon that well over 100,000 tons of ore of 10 dwt. grade had been proved, which was being rapidly increased as the level, which was still in ore, was continued. Some 1,600 feet west of this shaft, which is known as Eclipse shaft, another shaft, known as Growler, had been sunk some 120 feet on the incline. Here the grade of the ore was excellent, and though the width was narrower it made an average payable ore over mining width, and from this section the company could count upon a further tonnage of commercial ore to provision a mill.

Of the territories adjoining the Kitchener group visited by Mr. Pryor that belonged to the Wad Syndicate, the West group, of ten claims, was chiefly valuable on account of its location and the likelihood of the Wad lode entering the claims, since little or no work had been done on the area. But the Hope, or Eastern group of claims, had a very real value and importance.

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The current issue of our market letter, "The Mining News," contains information on the above stocks. A copy, free, upon request.

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Nova Scotia Output of Coal is Up Considerably

Nova Scotia coal output for 12 months to October 1 totalled 5,670,000 tons, the highest since 1923, when the figures totalled 7,200,000 tons. All mines are now at capacity and will continue so until close of navigation on St. Lawrence.

PETE COBALT HAS HIGH GRADE FIND

Small Stringer Soon Opened Out With 2,000 oz. Silver

High grade silver, running 2,000 ozs. to the ton, has been opened up in a limited way on the Peterson Cobalt property. The extent of the shoot will not be known until the company resumes exploration, work having been halted temporarily to connect up the winze from the 330-ft. level with surface through an old stope, so as to save hoisting through two winzes.

The new discovery was made in a cross vein in a raise above the 225-ft. level in the diabase. A one-inch stringer, showing leaf silver, was encountered, and a couple of shots opened up additional stringers and then came the high grade. Meanwhile the management is making plans for new devlopment on the 330-ft. level. A fault striking southeast from the Nipissing property, is to be followed into the diabase. Nipissing on its end of the fault got excellent results and the Peterson Lake people believe that their chances are just as good as were those of Nipissing. They will thus follow along the edge of the fault S.E. in diabase. This fault is noticeable also on the 225-ft. level.

Meanwhile the surface plant of the company has been put in excellent shape. Considerable high grade is available and bagged but it is not the intention of the company to ship. Twenty men are employed and shortly there will be four machines working in four faces of the diabase. The mine is operating three shifts. The company has about $70,000 cash in the treasury.

GEOLOGICAL MAP QUEBEC TPS.

A geological map of Duparquet and Destor townships, western Quebec, has just been published by the Geological Survey. It shows on a scale of one mile to one inch the distribution of the various geological formations and is of interest to prospectors and mining men. Copies may be had by applying to the Director, Geological Survey, Ottawa.

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Dividend of Kirkland Gold Stock Declared by Old Beaver Board

The retiring board of Beaver Consolidated Mines stole a march on Wednesday afternoon of this week, a day before the annual meeting, when they declared a dividend of 1,000,000 common shares of Kirkland Lake Gold shares, payable Nov. 15, to shareholders of record Nov. 1. This means that for every two shares of Beaver one share of Kirkland Lake Gold will be paid.

The Post will have gone to press before the Beaver meeting, but it seems certain that new interests will have control after the meeting. Perhaps it was realization of this that led the old board to spring this surprise.

Is it legal, will likely be the question raised. It is stated that the old board looked carefully into this before it took action.

Beaver still has 500,000 shares of Kirkland Gold preferred and over 100,000 shares of common in its treasury.

ABANA MINES AFFAIRS

Affairs of Abana Mines, Quebec, are in a rather bad way. Injunctions against reorganization plans have been issued. Plans are under way to get in new interests and clean up the situation. The meeting of shareholders stands adjourned to Oct. 20.

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TORONTO, OCTOBER 15, 1926

BURYING THE HATCHET

THE French-Canadian, Liberal Premier of Quebec, and the big corporate power interests in that province on the one hand and the British-Canadian, Conservative premier of Ontario and the members of the great Ontario Hydro public ownership commission on the other, have reached an understanding as to the development of the inter-provincial power site at Carillon, on the Ottawa River. They are agreed on a policy of Canadian power for Canadian industry. Premier Taschereau and Premier Ferguson have correctly interpreted public opinion on that important fundamental principle in regard to the development of our resources. Ottawa has an interest in the situation, and it is said that a final agreement must await the return of Premier King, but it is hardly likely that he will upset the harmonious working out of the plans now being furthered.

That political interests which have been regarded as separated by nationality, religion and public policy have been brought to a common agreement in the interests of sound power development speaks eloquently for the practical nationalism of the governmental leaders, and it would have been impossible to conceive Sir Adam Beck considering any proposal involving co-operation in any degree with the big Quebec power interests headed by Sir Herbert Holt, although it is highly desirable in the public interest that these two important groups—founded as they are on widely contrasted business principles—as well as the governments, should work together in the solution of inter-provincial power problems.

If wise leadership by strong men, without regard to political party, can bring Ontario and Quebec to a solution of knotty inter-provincial problems, there is no reason why other strong men of other provinces cannot likewise bring understanding in the solution of national problems in the best interests of Canada.

APPLY THE LASH

CRITICISM is heard that Canadian banks do not provide all the modern fixtures and equipment available for the protection of their staffs from bank bandits. Wide publicity as to spectacular defensive arrangements of some of the banks in the larger American cities is probably responsible for this. As a matter of fact the main offices of the Canadian banks in the larger cities are quite as well protected as American banks. The problem of protection in the case of the small branch bank is another matter.

The success of the Canadian branch banking system is in its low operating costs in relation to the thousands of offices maintained for public service. To add to these costs the expense of modern protective appliances would doubtedly a difficult one, but what branch banks would have to be closed. Further the point may be well made that the expense of protection to outwit clever bandits watching for any weakness in the system would be out of proportion to the amount of money kept in the average branch. The policy is to reduce this amount to the minimum. Insurance could no doubt be secured more cheaply than elaborate protection provided and the banks do not expect their staffs to unduly risk their lives in the defense of the average branch.

The problem of prevention is undoubtedly a dificult one, but what about cure? Experience has shown that in a great many cases bank robberies are perpetrated by youths to whom the adventure as well as the possible profit appeals. To them escape is glory, and capture and imprisonment only a kind of martyrdom from which they will emerge with credit among those of their kind.

But where these young gun-men are given the lash and a short term of imprisonment the effect is altogether different. Not only do they fear the physical pain much more than a jail term but they realize that the man who has been whipped is no longer a hero to the public nor to his fellow criminals. Besides the shortened sentence gives an earlier opportunity to reform, reduces the period of prison influence and cuts the cost to the government.

WHY IMPORT SOUP?

OVER a million dollars' worth of canned soup was imported into Canada in the last fiscal year to supply domestic needs, despite the fact that all the ingredients necessary for the manufacture of this commodity are produced in the country. And when this country is obliged to import each year large quantities of canned soup, or any other product which can be manufactured in the Dominion, there is apparently a serious need of further developing our foodstuffs industries.

As a producer of immense quantities of raw materials, particullarly foodstuffs, Canada stands near the top of the list, but when we investigate closely and find that the greater percentage of our exports of foodstuffs are in an unmanufactured form, a doubt arises as to whether we are realizing to the fullest on our production.

To-day there is a greater need than ever for manufacturing raw materials into a finished product before exporting. Turning wheat into flour before shipping abroad is one instance of greater utilization of our materials. This list could be extended somewhat, but it is small in comparison with the number of unmanufactured foodstuffs that leave the country.

Competition is keen in every market the world over. Marketing, distributing and advertising methods are more advanced now than they have ever been. If Canada is to reap the utmost value from her great productive abilities, closer attention will have to be paid to supplying the export trade with a manufactured rather than an unmanufactured product.

THE ST. LAWRENCE WATERWAY

DURING the month of November the engineers appointed by the International Joint Commission in May, 1924, will make their final report upon the proposed Great Lakes-St. Lawrence waterway. This report should go far in either reassuring or discouraging those who favor this project, and should pave the way for the reports of the Canadian and American committees which are studying, independently, the economic aspects of the problem.

It is six years since the question of a deep waterway on the St. Lawrence first became an international affair, and even now there are grave doubts entertained as to the economic soundness of the scheme, especially as far as Canada is concerned. Canada is vitally interested in the St. Lawrence, not only as a possible deep-sea waterway, and as a potential power plant, but also as an outlet for her $115,000,000 investment in the Welland canal.

As far as Canada is concerned the answer to the St. Lawrence problem has not yet been found, but even now the matter is of sufficient importance to warrant an investigation of the facts by those who are interested in Canada's future development. Last week The Financial Post began a short series of articles on Canada's Inland Waterway, and although no attempt will be made to offer a solution to the problem, a brief survey will be made of the various factors that enter into this question.

A sympathetic and intelligent understanding of local problems is a prerequisite of national consciousness, and the St. Lawrence problem challenges the attention of the Eastener and Westerner alike.

LEARN FRENCH!

AT A gathering of the Alumni of the University of Toronto, in Montreal, E. W. Beatty, president of the Canadian Pacific Railway, stressed the necessity of more English Canadians learning to speak French. He made the point that Canada is, and will always remain, a bilingual country, and that use of French is spreading not only to Ontario, but also in the Maritimes and in the West.

It is not Mr. Beatty's custom to take up his own, or his listeners' time, with platitudes — when he speaks he has something to say. Moreover, he is one of the few in Canada who speak with authority. Therefore, his suggestion is worthy of more than mere passing thought.

While Canadians as a whole are perhaps worthy of censure for neglecting French, yet those English Canadians who are fortunate enough to reside in Quebec can, at least, easily make sure that their children learn both languages, an opportunity which to date has largely only been seized by French Canadians.

A good knowledge of French has long been regarded in Europe as a necessary adjunct to even a fair education — culture naturally spreads slowly on a new continent. But as soon as Canadians can be made to realize the advantages which accrue through a knowledge of French, the sooner will they see to it that their children acquire a good knowledge of the language. Such knowledge would in the end result in a bettered and more sympathetic understanding between the two races; it would result in improved business relations and activities; it would result in a happier country; and last, but not least, such knowledge would open such delightful fields of literature that this alone would more than repay the slight effort by which many of our young Canadians could easily acquire a good working knowledge of both languages.

BENEFITS OF INDUSTRY

THE wisdom in the pilgrimage of the heads of the mortgage loaning institutions of Eastern Canada to the prairies in connection with the annual meeting of the Dominion Mortgage and Investments Association is being proven. At the convention held in Alberta, the province which has gone farther than others in passing legislation undermining mortgage security, there were opportunities to put the case for the mortgagee before the government, and full advantage was taken of them. Since the convention other meetings have been held between mortgage company officials who remained in the West and members of the government, and there is every reason to believe that the result will be legislative changes in the interests of the mortgagors and mortgagees, the latter being given better security and the former getting a loan at a lower rate.

One of the difficulties in the Alberta situation was that there had developed between the government and the local mortgage men a controversial situation in which legal technicalities predominated. The company heads from the east meeting members of the cabinet were able to get away from troublesome details and give attention to the main purpose of clearing up a situation which has not been in the interest of either borrowers or lenders.

EDITORIAL NOTES

IT WILL perhaps be a matter for surprise to find that the production of bicycles is on the increase despite the growing popularity of the automobile. The old baseball slogan "nobody walks" may soon have a much more general significance.

* * *

"CANADA takes no grievance to the Imperial Conference," said Premier King, on the eve of his departure for England. This helps to clear the air on the much discussed constitutional question arising out of the recent crisis at Ottawa. But if Mackenzie King has no grievance, then who has? And what was all the hub-bub about during the campaign?

* * *

DISCUSSING cabinet appointments to the railways and customs portfolios, the Moose Jaw Times suggests to Premier King that he leave Mr. Dunning "in charge of what is a peculiarly Western matter; and get an Eastern man to clean up a peculiarly Eastern mess." While the customs scandal may possibly be referred to as an "Eastern mess," we feel that the reference to the railway situation as a "peculiarly Western matter" is far wide of the mark.

Other People's Views

GONE, THE FULL DINNER PAIL

Hudson Herald, Toronto: Did you notice that in the recent election campaign not a word was heard about the full dinner pail? The only thing the average workingman now worries about is a full gas tank and a new set of tires.

* * *

COAST TO COAST

Victoria Colonist: The Canadian Boards of Trade will hold a convention in St. John, N. B., next month, and it is of the highest value, from any standpoint from which it may be viewed, that Victoria be represented. This convention discusses problems of national moment which come within the ken of businessmen. It is a businessmen's gathering, and as such discovers what are the problems that are common to the commercial and industrial life of the country, and discusses measures which may be taken towards their solution. It is a national movement that reserves cordial encouragement, and the possibility of really substantial results being secured from such deliberations can be gathered from the character of the last convention held in Winnipeg.

* * *

WHERE CANADIANS LEAD

Kingston Whig: Canada's lead over the rest of the world in the use of hydro-electric energy is hardly realized by our own people. It is partly indicated by our consumption of electricity per capita per year, which is 729 kilowatt hours as compared with 472 kilowatt hours per capita in the United States.

The cheapness of electric power in this country has much to do with its popularity. It costs the public only .72 cents per kilowatt hour in Ontario. The lowest price in the United States is in the Pacific states where it is 1.44 cents per kilowatt hour. In the New England states, notwithstanding the nearness to Niagara Falls and the magnitude of the market, the price reaches 2.45 per kilowatt hour. It is said that sixty per cent. of the Canadian people live in districts where the cost of electricity is not more than one cent per kilowatt hour.

Fifteen Years Ago

Extracts from Files of The Financial Post.

Harris-Forbes introduce Montreal Tramway bonds to U. S. market with $10,000,000 issue.

Financial men inspect new paper mill built by Spanish River Pulp and Paper Mills.

Annual report of Ogilvie Flour Mills shows net profits $481,310.

Editorial suggests embargo on raw pulpwood and nickel.

New York bids 300 for Winnipeg Electric stock.

Work Your Brains and Make Job a Better One

There Will be no Standardized Incomes Because Brains Are Not Standardized, Says General Manager of National Cash Register

By J. H. BARRINGER,
Vice-President and General Manager, the National Cash Register Company.

J. H. Barringer, vice-president and general manager of the National Cash Register Co., is regarded as one of the outstanding industrial leaders in America. His spectacular rise from file clerk to his present position in ten years' time is one of the outstanding and romantic stories of industrial success in the world.

Not only is there general interest in the Canadian business community in the National Cash Register Co., because of its close association with Canadian business from coast to coast, but in recent months there has been a direct investment connection as the result of the flotation of a block of the company's securities in Canada in connection with the financial reorganization sponsored by Dillon, Read & Company.—Editor.

This is the best age in the world's history for a young man who wants to make good.

Of course every age has supplied successful men and women; but none like the present has contributed so many useful people, or provided so many opportunities for youth.

I am thinking about men who in peaceful pursuits have added to the sum total of the world's happiness and prosperity through the service they have rendered and the position in public affairs they have come to occupy.

Success is not a matter of desire, but the product of hard work.

J. A. BARRINGER.

Think this over for a moment: the young man who is secretary or confidential clerk in the office of a successful industrial leader never had so wonderful a chance to get ahead and go to the top as he has to-day—for this reason: so many executives are leaving their desks and offices early in the day, to enjoy some form of recreation, that the young men who are left in charge virtually run the business for about the same number of hours a day as the executives themselves. You see, of course, how those who are left in charge sign their employer's names to important letters, transact important business, fill important engagements and in other ways make their services practically invaluable. What a chance for young men who are willing to be honest and fair and work hard, this modern business age offers. A man who takes a lot of responsibility in the boss's office and carries it through to success isn't going to be denied anything in the way of advancement.

Whether industrial executives are spending too much time in recreation and too little time at their desks is a debatable subject. I am not attempting to determine that here. I am simply pointing out the incontestable fact that what is transpiring in business offices offers a great field of opportunity to young men who are secretaries and hold similar positions. Brains are the foundation of all real success and will bring success despite all handicaps if we make them work. That is the point about all this. What business needs to fear is brain strikes. If brains are not working they are on strike and such a strike stops all progress.

Successful men do more than their part! I believe that. I have had it proven to me a thousand times and more. We always say to the men at the National Cash Register Co.: "Ability backed up with honesty must have the right-of-way in this plant," and we mean exactly what we say.

The young man starting out say on his last year in high school or college, needs to know many things that neither the school teacher nor the college professor can tell him. Every man's job in his own and his future is his own to decide. The great industrial executives in America to-day are the men who knew their jobs from the start, and, being ambitious, knew the jobs of the men who were ahead of them. I have often remarked that there will be no standardized wages until there can be standardized brains. I still believe this is true.

If I were asked to tell a young man just starting out in life, full of health and wholesome ambition, just what is the most essential thing for him to keep in mind, I think I would say hard work. Industrial life, for everybody associated with it, is better in every way to-day than it was 10 years ago. This is because men have worked hard in the past, used their brains and not tried to avoid doing the job that was up to them to do. We are doing more work in our industrial plants than we used to in less time. Brain again, you see! New types of machines, clearer thinking along all lines. More money for brain work. These are some of the things that come to mind in any consideration of the present as compared with the past, and the present as we contemplate the future.

What most people call luck isn't luck at all. We use that word "luck" recklessly. One man succeeds where another man fails. The second man says he didn't have any luck, when nine times out of ten it was the lack of working brains and ambition which kept him at the bottom of the ladder.

A little uncertainty most of the time is a good thing. Too much leisure, I think, tends toward laziness, and no lazy man or woman even contributed much to the world's storehouse of usefulness.

Just a word more: industry is looking for young men who want to make good. There are thousands of possible executives in the world at this moment. Many of them will win recognition and success. All of them could, if they made up their mind to. A man to be successful must be master of his job, whatever that job is. It takes a lot of overtime work and study to get to the top. The high schools and colleges can prepare young men to be successful, but they cannot guarantee that success.

That goal is reached only by preparation and hard work. There is no easy, rose-covered route to be followed.

As Others See Us

Consolidating the Position

Saskatoon Producer.—"In the meantime," writes The Financial Post (Toronto), "business Canada is wondering how far the wheat pool will go in entrenching itself. Will the farmers be assessed a few cents on each bushel to provide investment funds that will enable the wheat pool to build more elevator chains, perhaps even to own vessels, etc?"

Nothing is to be gained by attempting to cross bridges before reaching them. The question put forward by The Financial Post is not new. Ever since the birth of the pool movement men have been asking just how far-reaching it was to be. No man, at this hour, knows.

Nevertheless there are definite fields of action in which the pool is consolidating its position. In the elevator aspect of the movement the natural objective will be "a pool elevator at all points." So far as the reference to shipping is concerned, the pool's freight-volume has already won substantial advantages both on lake and ocean rates; and the advocacy of vessel ownership is just about as sound a program as advocating railway ownership—and it may as well be said now as later that the pool has an infinite number of nearer problems than either.

BARRINGER EPIGRAMS

"I wouldn't ask anybody to work harder than I do, but you will make more if you will work more."

"Let's work our brains."

"When we have problems confronting us that require the most thought and concentration, after all there are only two ways to decide anything—yes and no. One is right, and possibly the other is wrong."

"Every man can take his job and make it better. You have to get down and give it hard thought and concentrate on it."

"You have to be the master of your job."

"An executive, to be successful, must know:
His job
His men
The product
How to work
Job of the man ahead of him
How to get others to work
Relation of his job to factory
His job is good while he makes good."

"There will be no standardized wages until there can be standardized brains."

"The world is our field, but there are a lot of other people who live in the same world we do."

"A little uncertainty is a good thing."

"Successful men do more than their part."

"Success is not a matter of desire, but the product of hard work."

"The speculators are those who use brains as well as ink in writing the order slips for their brokers. The road to success in speculation is the study of values. Essentially the determination of values in securities is a matter of comparison, just as it is in any other field."
—Barron's, Oct. 11, 1926.

Our organization is adequately equipped to supply you with that information which will enable you to draw a proper comparison between security values.

Use this information which we have. You can have it by writing and asking for data on the securities in which you are interested.

Write us today

Cochran, Hay & Co., Limited
TORONTO
Dominion Bank Bldg.
KITCHENER 83 King St. West
LONDON Dundas Building
LONDON, E.C. 2, ENG.
Gresham House-Old Broad St.

Canadian in Role of Diplomat for Uncle Sam

Under the title of "Uncle Sam is Proud of These," Morgan Winslow, writing in the current issue of the Grain Growers' Guide on Canadian-born citizens in the United States includes Jacob Gould Schurman, whose career could have hardly been enacted in any other country of the world, for it presents the spectacle of an immigrant who rose to the top of the diplomatic ladder. To the tactful hands of this erstwhile Canadian, the United tates to-day entrusts its relations with Germany.

Like the late Franklin K. Lane, who was Secretary of State in Wilson's cabinet, Schurman was born on Prince Edward Island—at Freeport. His great opportunity came with the winning of a scholarship from the University of London. This took him abroad for study and for five years he drew knowledge and inspiration from Edinburgh, Paris, Heidelberg, Gottingen and Berlin, the academic capitals of the world. Cornell University claimed him next as professor of philosophy, and in 1892 he became president of that institution, a post which he held for 28 years.

When the Philippine Islands came under American jurisdiction at the close of the Spanish-American War, the administrative powers of this Canadian-born scholar earned him a place on the first commission that took charge of Philippine affairs. In 1912, he commenced his diplomatic career as Minister to Greece, and today he is charged with the important task of mending relations with the world's greatest debtor, Germany.

Investment Consultation

NO matter how small your available funds may be, we invite you to make an appointment with a member of our firm to discuss the investment of it.

By so doing you incur no expense and place yourself under no obligation to us.

Inquiries invited.

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

Property In The West

The West, and by that we mean British Columbia in particular, is developing rapidly. Property values in Vancouver shows a steady upward trend.

While we do not recommend speculative investment we DO recommend revenue producing purchases which show a return now and increase in value at the same time.

We shall be glad to give details of various properties, both business and residential, which are available through us.

Pemberton & Son
Vancouver Limited
418 HOWE STREET
Vancouver, Canada

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

National Grocers

I have been asked to buy some 1st preferred stock in National Grocers. Do you look on it as a safe investment and wise for a man of moderate means or is it true that as I am told there are too many high salaried officers connected with the company to allow it to continue to earn sufficient profits to protect bondholders and stock holders and earn interest and dividends?

The first report of National Grocers has just recently been published. It is not by many means a glowing document. However, when the adjustment of inventory values is taken into consideration and allowance made for the fact that it took time to work out economies in management, the showing is more satisfactory. Later reports indicate that profits are on a better basis but there would still seem to be a question whether these will provide any substantial margin of safety after making proper allowances for depreciation. The dividend on the first preferred seems to be pretty well assured if the improvement referred to can be maintained or extended. However, as you use the phrase "safe investment," we believe that you might be well advised to await some more definite indication of an assured future than has so far been provided by the report referred to.

Miller Bonds

Inquirer, Aylmer. — Will you please give me what information you can concerning Miller Bonds. Are they prefectly safe from an investor's standpoint, and would you advise buying them?

It is a mistake from the investment standpoint to describe the various bond issues made by G. L. Miller & Co., as "Miller bonds." The various issues must be considered individually. They represent mortgages on individual properties in which the investors have placed their funds and the position of the holders of the bonds depends very largely upon the worth of these individual properties.

The failure of G. L. Miller & Co. represents the consequences of deflation following a boom in real estate throughout the United States. The different features of this boom as compared with other booms has been the extent to which building bonds have been sold to the public. Sound in principle, there can be no doubt but that many issues have been made on very slim security and the failure of the Miller Co. would seem to reflect the disappearance of inflated paper assets.

Holders of bonds which have been issued by the Miller Co. should not regard these as being affected by the failure any more than this probably indicates that many of the issues were larger than the property value warranted. But in the last analysis the value of any bond sold by Miller & Co., will depend on the worth of the bond and property as with bonds issued by any other investment house.

Bell Telephone

I intend to increase my holdings of Bell Telephone stock when a favorable opportunity presents itself. I had intended to await an issue of new stock, for my present holdings would allow me to obtain as much more of this stock as I require at the moment; but I figure that the company can finance more cheaply by issuing bonds and therefore I stand but little chance of obtaining new stock rights for some time to come. What is your opinion?

You are right in saying that the Bell Telephone Company can finance more cheaply through an issue of bonds, but we do not agree with your deduction that there will not be another issue of rights shortly. We are inclined to believe that you can anticipate an issue of rights very soon after the company's hearing before the Board of Railway Commissioners for an increase in rates is concluded.

The company has a large programme of extensions ahead of it, and must obtain new financing very shortly. Perhaps, some of this will be done through bond issues, but, on the other hand, it has always been the Bell Telephone's policy to maintain a fairly high ratio between its stock outstanding and its bonds outstanding. Thus, it makes its common shares more valuable, and the company is enabled to sell new stock over par, which compensates, in a large measure, for the higher annual interest rates which it must pay.

Last year, the Bell Telephone Company, after deducting depreciation charges, did not earn its common stock dividend, yet we believe that, over a period of years, it will be allowed to earn sufficient to make proper allowances for depreciation and to continue to meet its regular 8 per cent. dividend.

Therefore, if your funds are available now, why not buy the stock on the market and sell your rights when they are issued.

Ottawa Power

Will you please let me know if you consider Ottawa Light, Heat and Power Company preferred shares a safe investment? The amount to be invested is $500 and the investor is a widow who already has some $12,000 of her assets invested in securities.

An investment of $500 in the preferred shares of the Ottawa Light, Heat and Power Company should prove satisfactory for a widow in the circumstances which you have named. Last year, the company earned $307,834 applicable to its preferred dividends amounting to $97,500. Since the preferred stock was issued, some three years ago, the earnings have been equivalent to not less than 14.4 per cent. as against dividend requirements of 6½ per cent. on the issue. Earnings applicable to preferred shares in 1924 and 1925 were in excess of 20 per cent. We surmise, of course, that the great majority of her holdings are confined to gild-edged bonds or similarly invested.

Consumers' Gas

I hold some shares in Consumers Gas Co., Toronto. I know this is a safe investment, but the company is so handicapped by franchise restrictions and municipal interference that there seems little prospect of shareholders benefitting from any future expansion.

Consumers Gas may be regarded as a sound investment security showing a fair return. Its future, we feel, is pretty clearly defined under its charter and while, as you say, there are franchise restrictions and there has been considerable muncipal interference the point can also be very well made that the company's position has not been successfully affected in any respect by the interfering politicians, nor has the stock market at any time indicated apprehension as to what may develop in this connection. For the future we would anticipate that from time to time there will be additional benefits offered to shareholders in connection with additional financing, although the company seems to have provided for its capital requirements for some time to come. As a matter of fact, in recent years the price of Consumers Gas has maintained a pretty close relationship to the price of Victory Bonds—in other words, it is on a pretty sound investment basis.

Manufacturers Finance

Inquirer, Ontario. — Would like your opinion of the preferred stock of Manufacturers' Finance.

There are two different preferred stocks of Manufacturers' Finance Corporation. The class "B" was issued by mistake, it is said. The current market price of "B" is about $7 bid and $8 asked, of class "A" about $6 and $7 respectively. These prices are quoted by unlisted dealers and can not be much more than nominal, as there is not much stock coming out.

Preferred certificates class "A" have printed on the centre top of the face of the certificate—"CLASS "A" PREFERRED" The certificates are mostly of brown color. It is an 8 per cent. preferred accumulative, participating with the common, after the common has paid 8 per cent. The participating is on the basis of one for one above 8 per cent. on the common.

Class "B" or ordinary preferred certificates have no notation on them in reference to the class they are. They are mostly printed in black ink. They are 8 per cent. preferred accumulative, participating also with the common equally besides receiving 8 per cent. as a preferred. This stock was the original issue, and is not, now, being sold by the company.

As for the assets, etc., both preferred stocks are equal.

$12.50 is the price at which the company is selling treasury stock. All stock, whether sold through the company or through a dealer as an unlisted stock carries a 50 per cent. bonus of common stock.

Mr. Brooks Again

Would you consider stock in the Brooks Steam Motors, Ltd., Metropolitan Bldg., Toronto, a reasonably safe investment?

We consider stock of the Brooks Steam Motor, Limited, a very unattractive investment. We have never been able to get from this company all the information that we require concerning their affairs and this has not helped us to come to any more favorable conclusion.

Cosmos Imperial

In order to diversify my investments a little more, I am considering investing $500 in the preference shares of the Cosmos Imperial Mills. Before doing so, I should like to obtain your opinion on this purchase.

Cosmos Imperial preferred should prove a satisfactory investment in its class. Steps have recently been taken by which substantial Canadian interests have secured complete control of the enterprise by buying out a group of American stockholders. The company has plants at Hamilton, Ontario, and Yarmouth, Nova Scotia. It manufactures heavy grades of cotton ducks, mechanical belting, hose, railroad car roofing, tents, awnings and dryer belts for paper machines. As most of these lines go into commercial and industrial consumption, the company has not become widely known to the public.

Earnings are said to be satisfactory. Business is expanding, particularly in regard to the manufacture of the dryers for the pulp and paper manufacturers. And as this industry is expected to continue to expand, the outlook in that quarter is regarded as very promising.

More Funny Offers

This morning I received in the mail a circular entitled "Special Rush Bulletin" from O. P. G. Hardy, of Monument, Quebec, advising the purchase of German and French bonds. Are these worth while, or are they just some fake on the market? I have not seen stocks of this kind listed in The Financial Post.

So you too received a "Special Rush Bulletin." We would say that it is well named and the best place for you to rush it is into the waste paper basket. The Financial Post has repeatedly issued warnings to the smaller investor about the purchase of such securities.

Such bonds are not investments. They are an out-and-out speculation and should you desire to gamble in this way there are reputable firms in Montreal who will gladly quote you the day-to-day buying and selling price of such bonds.

Incidentally, does it not seem strange to you that Mr. Hardy should chose such a small community as Monument, P.O., Quebec, from which to do a financial business. However, we have never been to Monument and perhaps both sides of its main street may be lined with investment houses rushing German bonds backwards and forwards across the street.

We looked up the town of Monument, P.Q., in Dunn's and under that heading found the following notation: "See Gifford."

On turning up Gifford, we find that the town has a poulation of 1,000.

In any consideration of German pre-war mark bonds you must remember that some of these issues can be bought in carload lots for a song. May we again advise you to "rush" the bulletin into the waste paper basket.

Saguenay Pulp

Will you be good enough to let me know the present status of the shareholders of the Saguenay Pulp and Power company? One of our clients holds stock in this company, but has heard nothing about a shareholders' meeting, or an exchange of stock for shares in the Quebec Pulp and Paper Mills.

You will recall that, in the re-organization of the Saguenay Pulp and Power Company, shares of the Quebec Pulp and Paper Mills were handed over to the management of the former company. In the meantime, the management of the Saguenay Pulp and Power Company in settling a few minor matters with the Quebec Pulp and Paper Mills; certain adjustments, such as directors' fees, have been placed before an arbitrator, and the whole thing will be settled, it is expected, in about two months.

Saguenay company now holds one share of the Quebec Pulp and Paper Mills for every ten shares of both its preferred and common stock outstanding. These constitute the entire assets of the Saguenay Pulp and Power Company. Thus, it would seem that the preferred shareholders of the Saguenay Pulp and Power perhaps might lay claim to all the assets, but, on the other hand, the common shareholders of the company might refuse to wind it up. Therefore, it is thought that, probably toward the end of this year, committees of the preferred and common shareholders of the company will be appointed. These committees will be authorized by both classes of shareholders to arrive at some basis of settlement. Perhaps, the preferred shareholders and the common shareholders will share and share alike; that is, for every ten shares of preferred or of common stock of the Saguenay Pulp and Power now outstanding, the shareholders will eventually receive one new share of the Quebec Pulp and Paper Mills.

Some Suggestions for a "Hold"

Inquirer. — What stocks at to-day's prices would you advise as a business man's investment, not particularly for the dividends being now paid, but to hold?

One stock which might interest you is the Power Corporation of Canada, which controls several smaller power companies and has a substantial interest in the shares of such companies as Winnipeg Electric and the Southern Canada Power Company. Of course, the common shares of this company pay no dividends but, for a long pull, the stock seems to have attractions.

Then the preferred shares of Belding-Corticelli which change hands on the curb can be purchased on a high yield basis; these shares look attractive.

Many of the paper companies shares look extremely attractive for a long pull; one of these is Price Bros.; another is Abitibi, but we would not dare to predict the market for the newsprint group say nine months hence. The shares as a group may be selling lower, we do not know. However, we are believers in the ultimate future of this group of securities.

During the next year the preferred shares of the Canadian Car and Foundry stand an excellent chance of appreciating in value.

If you are looking for long pull stocks, you might consider one of the agricultural implement companies. Canada will probably always be an agricultural country, and thus we would say for a long pull the agricultural implement companies should make strides with the country as a whole.

The common shares of the Asbestos Corporation, we believe, over a term of years, have an excellent chance of appreciating substantially in value. Of course, like all other low price stocks, these shares are speculative.

While the flour milling stocks are in the doldrums at present, due to the depressed state of the milling industry throughout the world, yet this is an industry which is indigenous to Canada and there will always be a milling industry here. Therefore, some of the stronger companies in this group may interest you despite the fact that the outlook at the moment is somewhat cloudy. Nevertheless, the stronger companies will come through and prosper in the end, we believe.

If you wish to obtain a good yield from a public utility stock, Jamaica Public Service preferred and Winnipeg Electric preferred may interest you.

The common shares of the Ottawa Traction Company sell on an excellent yield basis; the company is excellently managed and while its growth has been slow, yet it has been none the less sure. Thus, an investment in Ottawa Traction over a term of years might attract you.

Winnipeg Electric common is another stock which has attractions for a long pull. It seems to us that this utility must grow with the City of Winnipeg and the latter's growth depends on the growth of the Canadian prairies. It seems impossible to believe that the population in the West will not increase over a term of years, despite the fact that there have been bad times there since the war.

A speculative issue is the stock of Famous Players, which yields 8.74 per cent. at present prices. This company is really the motion picture trust in Canada, and we believe that it stands in excellent position to increase its earnings over a term of years. The common stock in this company does not look so attractive to us as the first preference.

The preferred shares of the Woods Manufacturing yield almost 8% and look attractive to us. Why not consider some of the common shares of the Canadian Pacific Railway for ten year hold? If the country grows, the railway will increase its earning power also.

FOLKS and Finance

FROM operatic singing to investment banking, is the change in vocation made by Edmund A. Burke, who has achieved fame as a singer both in Europe and in the Metropolitan in New York. This announcement was made by Taylor, Ewart & Company, of New York, with which firm Mr. Burke will in future be associated.

Additional interest in this announcement is created owing to the fact that Edmund Burke is one of Montreal's native sons.

CONTRARY to general belief the profits made in the staging of the recent Tunney-Dempsey fight at Philadelphia do not go to the promoter, Tex. Rickard, but to the Madison Square Garden Corp., of which he is president.

Madison Square Garden Corp. has a contract with Tex. Rickard running to May 1, 1943, under which he acts as general manager and agrees that all his activities in the sporting, wrestling, boxing, bathing, exhibition show, pleasure and amusement business of whatever character and nature throughout the United States, except in Idaho, Nevada, Arizona and New Mexico, or in any foreign country, become the activities of the Madison Square Garden Corp., and that all profits derived therefrom shall become the profits of the corporation.

Net profits from the fight are estimated by officials to have been about $400,000.

Against the G. L. Rickard contract, carried as an asset at $330,180, there is a reserve of $52,279, and this asset is being amortized further at the annual amount of $16,509. In connection with the Rickard contract, it is interesting to note that he earned through his promotion of the Dempsey-Tunney fight, more than the capital value assigned to his contract.

THIS week, Isaac Gouverneur Ogden, dean of the Canadian Pacific employees and Vice-President of Finance, celebrated his 82nd birthday.

Born in New York in 1844, Mr. Ogden commenced his business experiences in the Civil War Days in the local banking firm of Fisk and Hatch. His railway career was begun as paymaster and accountant in 1871, with the Chicago and Pacific railway. Ten years later he joined the Canadian Pacific as auditor of western division with headquarters at Winnipeg, until 1883. In that year he was promoted to a senior position in Montreal and from 1887 until 1901 served as comptroller. For the past 25 years, Mr. Ogden has occupied the position of vice-president.

When he was placed in charge of the Canadian Pacific finances and accounts in 1881, the staff consisted of himself, and a little later, of himself and six clerks. Under his direction to-day are 1,300 officers and clerks. He evolved his own system of accounting for the Canadian Pacific, which is now known as the Ogden system and considered to be perfect.

Back in a public school on Greenwhich Avenue in New York, the seeds of his financial genius were sown. His years at school were short. At sixteen he had entered the business world. To-day he believes that young men spend too much time in college.

"Unless a man is going into one of the professions, he does not need to spend years in college" is his view. "Boys ought to start out early in the work they are going to take up for life," he says. "The college gives them a false idea of position and importance and makes them unwilling to start at the bottom where they should.

Diversified Investments for October Funds

Our October List summarizes in concise form the essential information on well diversified groups of government, public utility and industrial bonds and preferred stocks.

The requirements of any investment can be met from this list and it will be helpful to you whether you are an investor of long experience or an investor contemplating a first purchase.

Income returns range from about 4½ to about 7½%.

Write or telephone for Investment List No. 4.

Greenshields & Co

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QUEBEC 80 St. Peter Street

24

POST-Scripts

AT THE annual meeting of the Dominion Mortgage and Investments Association at Edmonton, the Hon. George Hoadley, during the course of his address of welcome, said that it has been suggested to him in coming to face such a large crowd of mortgage men that they might "get his goat."

The Hon. George explained that he was not worrying about their getting his "goat" so long as they did not get his "note."

JOE SMITH, seventy-eight-year-old prospector and trapper in the Rockies, experienced his first ride in an automobile on election day when he was driven from old Silver City to the Banff polls. He voted for the first time since he last exercised his franchise 25 years ago in voting for the late Hon. A. L. Sifton, who contested a seat in the government body of the North West Territories.

Joe Smith is the last inhabitant on the ruins of Silver City, 20 miles west of Banff, in the interior of the Rockies.

Originally hailing from Quebec and trekking across the prairies to the mountains in 1882, he established a store, hotel and pool room in the thriving mining village of Silver City. Following mineral discoveries the village boasted a population of 2,000 in 1883. The following year the bubble burst as no paying ledge was located. To-day Joe Smith is mayor, council, police force, and the lone inhabitant of the registered townsite at the foot of Castle Mountain.

Acadia Sugar Refining Company, Limited

6% First Mortgage Bonds, due 1946

The Company's business has been established nearly half a century. Its product is being sold in increasing volume, not only in Canada but in Great Britain, Europe and South America. Its earnings for the past three years have averaged 3¾ times the annual interest requirement of these bonds.

Price: 96 and accrued interest, Yielding 6.35%.

Circular on request.

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal
Toronto Halifax Saint John Quebec
Winnipeg Vancouver New York

Montreal Light, Heat & Power Consolidated

Twenty-five Year 5% Bonds Due October 1, 1951

This Company is one of the most important public utilities in Canada, providing electricity and gas to the City of Montreal and district. The growth of the business is indicated by the increase in gross revenues from $1,760,285 in 1902 to $18,282,938 in 1925, notwithstanding repeated reductions in rates.

Public confidence in the Company is illustrated by the results of the recent customer ownership campaign, during which more than 18,000 subscriptions were received for a total of over 250,000 common shares.

Price: 99.50 and Interest, Yielding over 5.03%

Illustrated booklet reviewing the Company's growth will be gladly furnished upon request.

Write to 36 King Street West, Toronto, or Telephone: Elgin 4321.

Wood, Gundy & Company
Limited

BONDS - WE - RECOMMEND

Maple Leaf Milling Company

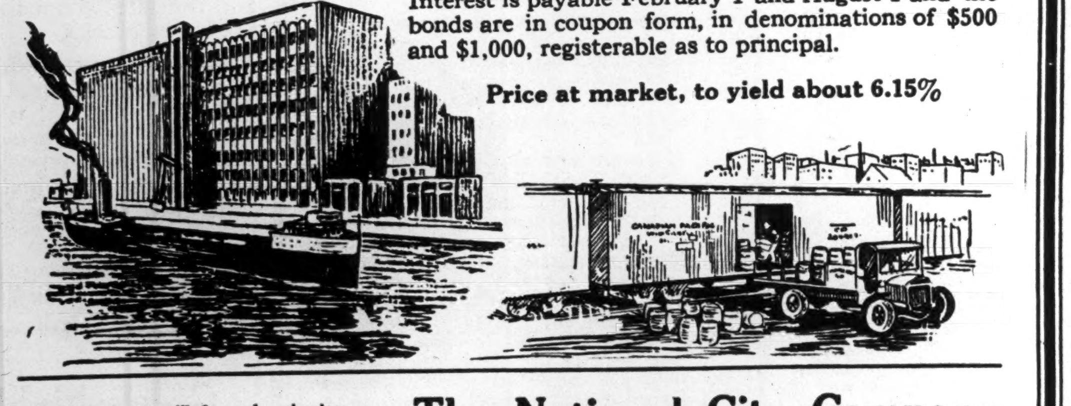
6½% Bonds Due 1943

The Maple Leaf Milling Company Limited, with its subsidiaries, is one of the largest flour milling companies in the Dominion. It owns and controls eight mills, fifty-seven elevators, and valuable warehouse properties.

The bonded debt of the Company is small and interest on its bonds has at all times been earned by a wide margin.

Interest is payable February 1 and August 1 and the bonds are in coupon form, in denominations of $500 and $1,000, registerable as to principal.

Price at market, to yield about 6.15%



Upon request we will forward a circular giving full particulars of the above issue, and also the October issue of our monthly publication "Investment Securities" which contains a complete list of our current recommendations.

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
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168

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News of Investment Markets

EASING OF BOND MARKET IS LIKELY TO BE TEMPORARY

Scarcity of Public Issues for Coming Months Foreseen

The slightly easier tendency to prices in the bond market which has been in evidence recently, since the reactionary movement in the stock markets made its appearance, is not likely to prove important or lasting in view of the conditions prevailing. Nor should it be forgotten that it follows a period of strength which has taken quotations generally to very high levels. The belief that it is a temporary easing and that prices will return to and maintain high levels finds support in the comparative scarcity of high class securities. In recent years the volume of borrowing by governments and municipal bodies has been declining in a most decided way. There are few issues in prospect for the balance of the year. In addition it is not expected that the federal government, in view of the statement made in the spring by Hon. Mr. Robb, the minister of finance, will be doing any further borrowing this year. During the past three years important government issues have made their appearance during the autumn and have met with a ready demand.

The comparatively small volume of business in public issues is indicated by the lessening of trading activity as compared with a few years ago when war-issue bonds were passing freely from hand to hand. It would seem that these issues have finally reached the hands of investors who are prepared to hold them.

Under the circumstances there has been a widening of interest in the better industrial issues and, despite its size, it was hardly a matter for surprise that an issue by such a well known and strongly entrenched corporation as Montreal Power Consolidated should be quickly over-subscribed. Reports from Wood, Gundy & Co., who headed the syndicate marketing this $30,000,000 issue, are to the effect that trading bids indicate that the market is being very well sustained. Despite the comparatively low yield for an industrial issue—5.03 per cent—it is confidently felt that the market will show somewhat higher prices for this issue in the future. In the case of the Anticosti issue, it is pointed out the present trading price is substantially above the issue price of par.

Essex Border Utilities Issue Now on Market

An issue of $700,000, 5½ per cent. coupon bonds of the Essex Border Utilities Commission is being offered by Dyment, Anderson & Company, to yield 5.25 per cent. The bonds are dated Sept. 1, 1926, and mature Feb. 1st, 1927-56.

The commission is a municipal public service corporation created by special act of the legislature of Ontario in 1916, to handle the municipal problems affecting the whole of the Border Municipalities in which it is to their interest to co-operate. The personnel of the commission consists of the mayor of each of the municipalities as an ex-officio member, and in addition, each municipality is represented by one commissioner elected every three years by the people.

$700,000
The Essex Border Utilities Commission.

5½ per cent. coupon bonds, dated Sept. 1, 1926, due Feb. 1, 1927-56.

The bonds are a direct liability of the commission and of each of the municipal corporations of the city of Windsor and towns of Walkerville, Sandwich, Ford City, Ojibway, Riverside, LaSalle, and part of the township of Sandwich West, for whose benefit the improvements are made to the extent of their respective shares as settled pursuant to the statues.

The combined financial statistics of the municipalities comprising the commission are as follows:

Assessed valuation for taxation	$117,022,673
Total debenture debt for all purposes, including the Essex Border Utilities Commission	21,871,678
Population, 96,000.	

All bonds of the Essex Border Utilities Commission are issued on the instalment plan, thus each year an important amount of the principal is retired. This plan is also followed by the individual municipalities.

Offered—October, 1926, by Dyment, Anderson & Co., to yield 5.25 per cent.

Royal Securities Offer New London Hotel Issue

MONTREAL.—A public offering of $750,000, 6½ per cent., 15-year, first mortgage sinking fund gold bonds of the London Realty Co., Ltd., is being made by the Royal Securities Corporation at 98½, to yield 6.65 per cent.

London Realty was incorporated to acquire a site on the southeast corner of Dundas and Wellington Streets, London, Ontario. There is now being constructed an eight-story modern fire-proof hotel containing 204 rooms, each with bath, which will be completed and ready for occupancy by August, 1927.

Gross revenue for the first year of operation is placed at $264,000. Operating expenses, taxes, insurance, etc., is placed at $90,500, leaving net profits available for bond interest, depreciation, etc., at $173,500, equivalent to over 3½ times first mortgage bond interest of $48,750. These figures do not include any allowance for income of operation expenses of dining room and grill room services, which, it is estimated, will provide an additional source of profits.

The board of directors consist of prominent business men, including J. J. McHale, Gordon J. Ingram, John M. Moore, A. T. Little, A. J. Grant, R. G. Ivey, John S. Moore.

J. J. Lussier, who will direct the management of the hotel, has had many years' experience in the operation of hotel and restaurant enterprises in eastern United States.

Brantford Sells Bond Issue to Local Investors

Brantford has made a successful issue locally of $9,000 of municipal bonds. The total was subscribed between 9 o'clock and 3 o'clock of the same day. Such was the interest aroused that in addition, $850 of a former bond issue were also taken up.

Growing Demand For Canadians in States

VICTORIA. — "More and more the United States investor is demanding that Canadian securities have a place in his portfolios," said Lewis H. Strauss, of Kuhn, Loeb & Co., New York, on his arrival here recently. Mr. Strauss, who is sailing on the Canadian Pacific liner, the Empress of Canada, for Yokohama, said that Canadian Government, provincial and other bonds were thought most highly of on the New York market.

"The fact that Canada can readily borrow money," said he, "in the United States at a very low rate of interest, is proof positive how much her securities are in demand south of the line."

GRANITE CLUB ISSUE IS OVER-SUBSCRIBED

Part of Clubhouse Expected to Be Ready Within Two Weeks

The offering of $275,000 Granite Club, Limited, 6½ per cent. first mortgage bonds made by McLeod, Young, Weir & Company, Limited, was quickly over-subscribed.

This is the first time, in some years, that an issue of club bonds has been offered for public subscription in the Canadian investment market. The keen demand by investors for this type of security follows closely the history of such offerings in the United States where club bonds have for years been a highly regarded form of one of the world's oldest types of investment—the mortgage.

Undoubtedly many investors were influenced by the exceptionally strong board who are directing the affairs of the club. This board is composed of some twenty-two of Toronto's leading citizens, and the club's affairs have had their individual close scrutiny, so that not only is the club soundly financed, but in their opinion the club will have sufficient annual revenue to be operated on a sound business basis.

The sports building containing the skating and curling rink, badminton, and squash courts, is expected to be in use in about two weeks time. Locker facilities and the plunge will also be ready then.

Under the Canadian Insurance Act these bonds are a legal investment for life insurance companies and it is understood that a number of such financial institutions have invested in this issue.

$275,000
Granite Club, Limited.

6½ per cent. first (closed) mortgage sinking fund gold bonds. Dated May 1, 1926; due May 1, 1941.

The Company—Has been formed to provide a new and enlarged home for its predecessor club, which has been in successful operation in Toronto for the past 53 years.

Security—Bonds are secured by a closed first mortgage on land and buildings, the actual cost of which is $579,488. The bonds will also be secured by a floating charge on the furnishings and all other assets of the club.

Sinking Fund—The trust deed provides for a sinking fund sufficient to redeem approximately $150,000 of the bonds at maturity.

The Land—Is situated on the south side of St. Clair Avenue, Toronto.

Building—Actual cost of the club house, rink and artificial ice plant is $398,988.

Offered—October, 1926, by McLeod, Young, Weir & Co., at 99 and accrued interest, yielding over 6.60 per cent.

Bits About Bonds

While the insured bonds of the Manufacturers' Finance Corporation are new to investors, similar insured receipts, without security pledged to a trustee have been sold by the company for some time past.

In recent years a new type of insurance "credit insurance"— or to define it more clearly, "insurance against bad debts" has become an important factor in the commercial and financial world. To certain well managed companies, such as the Manufacturers' Finance Corp., dealing in instalment lien obligations, this type of insurance is now issued, thereby giving 100 per cent. insurance protection against loss on the instalment paper acquired. It is this protection which guarantees and safeguards the bonds now being sold.

Guaranteed securities of this nature are well known to investors throughout the United States.

* * *

Calling of a block of $400,000 of the 8 per cent. joint debentures of the Massey-Harris Company, and its American subsidiary, the Massey-Harris Harvester Company, will reduce the amount of debentures outstanding to about $1,600,000. The amount called this year contrasts with $350,000 called at the same price for payment October 15, 1925, and is further evidence of the improving position of both companies.

During the year 1920 this special form of financing in the United States was carried out by the Massey-Harris Company, as a joint obligation of the company and its American subsidiary, Massey-Harris Harvester Company. The issue took the form of $4,000,000 of sinking fund gold debentures, bearing a coupon rate of 8 per cent. and ranking as a joint obligation of the two organizations.

By virtue of the annual sinking fund this funded debt has been reduced during the past few years and by the end of 1925 fiscal year had been brought down to an amount of $2,000,000. This has proven a considerable factor in the financial positions of both companies inasmuch as it has reduced steadily an interest charge which was incurred at a time when financing could only be carried out on a high cost basis.

* * *

Considerable weakness has developed in Canadian Northern 5 per cent. income stocks on the London market, caused, according to advices, by the reports that the Canadian Government would not ratify the provisional agreement arranged between the stockholders' committee and the Canadian National Railways on the ground that the terms were too generous. English shareholders on the other hand object to renouncing their right of repayment in 1930, which they claim is about the only valuable feature of stock which has not paid dividends in twelve years. The point they stress is that the 4½ per cent. Government guaranteed stock offered in exchange may not be worth par in 1930.

"In order to demonstrate its confidence in its own credit, the Canadian Government should offer the stockholders the option to take cash instead of stock," states the financial editor of the London Times. "Canadian credit generally has improved in the last few years and the settlement with the Grand Trunk Pacific stockholders did a great deal towards restoring Canadian railway credit in England." The editor further states that a settlement of the Canadian Northern question would consolidate that advantage.

MATTAGAMI PULP TO BE REORGANIZED

J. W. William Buys in Property For Debenture Stock Holders

MONTREAL.—The first step in the reorganization of the Mattagami Pulp and Paper Company has been completed; I. W. Killam, president of the Royal Securities Corporation, has purchased the property on behalf of the mortgage debenture stock holders. The property was put for auction as the interest on the funded debt has been in arrears since 1921. The price paid by Mr. Killam to buy in the property was $7,250,000—he was the only bidder at the sale.

The capitalization of the company is as follows:

*1st mortgage 6% bonds	$1,774,000
*Convertible debentures 7%	3,000,000
*Non-convertible debentures 7%...	935,000
7% preferred stock	1,500,000
Common stock	2,000,000

*Interest in arrears since November 1, 1921.

From the foregoing it will be seen that the $3,500,000 equity of the preferred and common shareholders has been wiped out. It is understood that plans for the future include the formation of a new company which will issue new first mortgage bonds to pay off all claims which at present rank ahead of the two issues of debentures; this would include the present issue of first mortgage bonds outstanding. The entire issued stock of the new company will be transferred pro rata to the present holders of the debentures.

The new company will also issue such mortgage bonds, or other securities, as may be necessary to provide working capital and for other corporate requirements.

Bonds Are Underwritten

It is understood that the Royal Securities Corporation has agreed to purchase on reasonable terms from the new company such issues of securities as may be necessary to take care of all charges ranking senior to the present issue of debentures.

A majority of the debenture holders of the company have already agreed to a plan along these lines which was submitted to them in July last; in the meantime there occurred several hitches in carrying out the reorganization and it is possible that the original plans for the reorganization may be modified.

The mill has a capacity of 200 tons a day of bleached and unbleached sulphite. The strength in the sulphite pulp market has resulted in bettering the financial position of the undertaking considerably during the past year.

It would seem to be merely a matter of time until the first mortgage bondholders receive payment in full and arrears of interest for their holdings. It is thought that arrangements will be made whereby the direction and management of the new company, if it is thought advisable, will be lodged in a voting trust which may control its operations for a period of between three and seven years.

Mr. Killam, in making the purchase, acted for the debenture stock holders. They had formed a protective committee and made Mr. Killam, a large holder of debenture stock, chairman. Having faith in the ultimate working out of the proposition Mr. Killam acquired a substantial additional holding of the debenture stock.

Harbor Survey to be Undertaken at Victoria

VICTORIA. — A survey of Victoria's harbor and Ogden Point dock facilities and industrial undertakings during the next three months, will be undertaken by Roger D. Pinneo, well-known harbor expert. He will also endeavor to secure business that will open up this port as an export centre.

Appointment of Mr. Pinneo to this important task was effected by the Victoria City Council, which, by unanimous vote, engaged his services for a period of three months.

Mr. Pinneo will open an office at the City Hall immediately, and proceed with his project without any delay. His services have been placed at the disposal of the city of Victoria through the courtesy of H. F. Alexander, though he will retain his connection with the Pacific Steamship Company and return to his work with that concern on the completion of his contract here.

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Investment Securities
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300 BAY ST. —— TORONTO

Municipal and Provincial Finance

PUTTING CIVIL SERVICE ABOVE POLITICAL PLANE

What is Being Accomplished by the Manitoba Commission

By J. W. FLEMING,
Civil Service Commissioner, Winnipeg, before Citizens' Research Institute.

The civil service of Manitoba is one of the largest working organizations in the province, with an annual payroll of approximately one and three-quarters of a million dollars.

The Civil Service Commission is an independent body, the commissioner holding office during good behaviour and subject only to dismissal by two-thirds of those voting upon it in the Legislative Assembly.

The duties of the commission as defined under the Act are:

1. To test and pass upon the qualifications of candidates for admission to or promotion in the civil service, and to issue certificates with respect thereto required under this Act or regulations made thereunder.

2. Of its own motion to investigate and report upon the operation of this Act, and, upon the violation of any of the provisions of this Act, or any regulation made thereunder, and, upon the request of a minister, to investigate and report upon any matter relative to his department, its officers, clerks, and other employees.

3. To report upon the organization or proposed organization of the departments, and upon any proposed change in such organization.

4. To obtain the assistance of competent persons for the preparation of examination papers and for the conducting of examinations.

The first duty of the commission was to make a survey of the whole service, this occupied several months. This was necessary in order to become acquainted with the different departments, the work they did and the personnel included in the different departments and sub-departments, so that the classification could be intelligently made and the organization of each established as required under Section 7, sub-section 1, by Order-in-Council; this was accomplished early in 1919. After this was done recommendations for changes, for equalization of salaries, for the consolidation of different sub-departments, etc., were made. During the period between 1915 and 1920, a considerable number of new services were instituted, many of them were more or less of a paternal nature. During the period between 1921 and 1924, considerable retrenchment took place, a number of the services were discontinued, many were consolidated and others reduced in personnel.

One of the main objects of passing the Civil Service Act was to remove the service of the province from politics, as well as to raise the standard. Both of these objectives have been reached as is shown by the attitude of the service towards their work, by the public who pay for it getting superior service, by a more staple and contented service with a spirit of cooperation permeating through the whole structure. Appointments to the service are now made for efficiency and ability to do the work, without regard to their politics or religion.

A civil servant may be suspended or retired by the minister, or in his absence by the deputy minister. A custom has been established which allows the dismissed civil servant to appeal to the commission for a hearing of his case and the commission may report upon it.

The organization of the service is so constituted that promotion is made when possible, thus the service of no single person is indispensabl , there is nearly always someone to take up the work available.

Tenders and By-laws

October 16—School Commissioners of the Village of St. Joseph d'Alma, P.Q.—$75,000, 5½ per cent., serial debentures. Eugene Boivin, sec.-treas.

Oct. 19—Hull—$200,000, 5 per cent. serial 30-yr. school debentures. Joseph Provost, sec.-treas.

October 19—School Commissioners of Shawinigan Falls, P.Q.—$50,000, 5 per cent., serial bonds. J. O. S. Brunet, sec.-treas.

October 19—School Commissioners of Kenogami, P.Q.—$136,000, 5½ per cent. or 5 per cent. serial bonds. A. Roche, sec.-treas.

October 19—School Commissioners of Port Alfred, P.Q. — $80,000 5½ per cent., serial bonds. J. H. Bouchard.

October 19—Village of Rouyn, P.Q.—$40,000, 5 per cent., five to ten year bonds. Wilfrid Blais, sec.-treas.

October 25, Riviere du Loup, P.Q.—$130,000, 5 per cent., 30-year bonds. Jos. Lebel, sec.-treas.

New Westminster Does Well in Sale For Taxes

NEW WESTMINSTER. — This city's improved condition was reflected in the tax sale held at the City Hall as a result of which approximately $4,400 was added to the treasury. A feature of the sale this year was the large number of lots placed on the list, but redeemed by their owners prior to the sale, there being eighty-six in this class. Approximately 170 parcels of land were offered at the sale, and the majority of them were sold, those with any improvements easily finding buyers.

CITY MANAGER SCHEME OPPOSED

Plan Considered More Suited to U.S. Than Canadian Cities

HAMILTON.—Considerable opposition has developed among the members of the Board of Control to the idea of employing a city manager as a means of increasing efficiency in Hamilton's municipal government and reducing administrative costs. It is now stated that probably nothing will be done in the matter until after the municipal elections.

Meanwhile the enthusiasm of some members for this scheme has undergone a change and even the mayor, who was at first considered in favor of a city manager, has become apathetic.

"The city manager scheme in the United States has come as an antidote to a serious evil in municipal government which they have in the United States, and which we do not have to any great extent here," the mayor stated. 'I was told that some such system of municipal government had become an absolute necessity in Dayton, as it has in many other cities. They run their municipal elections purely on party lines. When the Republicans are in office they make appointments to the civic service, and when the Democrats get in they fire all the Republican employees and appoint Democrats. If a sewer digger is a Republican and a Democrat council takes office he is immediately let out, and vice versa. Any one can readily see the evil of such a system and the disruption of the civic administration which occurs periodically. It was to get away from this that Dayton and other United States municipalities appointed city managers. Whether a city manager is required in Hamilton is another question altogether. In any case the matter would require very careful and serious consideration. A vote of the people would be necessary and special legislation would be required before we could appoint a city manager."

New Building Society Formed in Victoria

VICTORIA.—Another of the series of building societies which, during the past forty years, have helped many Victorians to become home owners, has been launched by officials responsible for the management of former societies.

Much good work has been done in the past by these organizations in the way of encouraging members to accumulate savings and acquire title to homes, the help of the society being sought, not only for the purpose of building, but for the purchase of property or, in most cases, the liquidation of existing encumbrances.

It is expected that the new society will be constituted on a plan, which, while providing for the retention of the popular drawing feature, will establish it on a more permanent basis than the former so-called terminating societies, such as the Victoria, the Victoria No. 2 and the Greater Victoria.

This Week's Bond Sales

ST. JEROME BONDS SOLD

An issue of $30,000 St. Jerome, Que., five per cent., 25-year serial bonds was sold to Municipal Debenture Corp., at 96.80, which is equal to a cost basis of 5.33 per cent.

POINTE AU PIC, QUE.

Municipal Bankers Corporation has purchased an issue of $40,000, Point au Pic, 5½ per cent., 10-year serial bonds at 99.55. The bids were:

Municipal Debenture Corp.	99.55
Credit Anglo-Francais	99.54
Lagueux & Darveau	99.10
Credit Municipal	98.26

NIAGARA FALLS ISSUE

McLeod, Young, Weir and Co. were the successful tenderers for an issue of City of Niagara Falls, Ont., bonds amounting to $307,283, 5 and 5½ per cent. 10 and 20-year debentures. Tenders follow:

McLeod, Young, Weir & Co.	98.79
C. H. Burgess & Co.	98.74
Wood, Gundy & Co.	98.60
Fry, Mills, Spence & Co.	98.27

TOWN OF COBALT BONDS

The Canadian Bank of Commerce has been awarded an issue of $35,000 Town of Cobalt 5 per cent. Ontario guaranteed bonds, repayable in 30 annual instalments. The price paid was 99.03. The bids were:

Bank of Commerce	99.03
Municipal Bankers	98.93
Wood, Gundy & Co.	98.80
Royal Securities Corp.	98.61
MacNeill, Graham & Co.	98.57
Bain & Co., H. R.	98.51
Imperial Bank	98.28
Harris, MacKeen & Co.	98.06
Burgess & Co., C. H.	98.06
Dyment, Anderson & Co.	97.63

BANKERS WHO PLACE MILLIONS IN CANADA NOW SEE DEVELOPMENTS

(Continued from page 1)

our own capital should be more readily—more cheaply—secured.

"Come Over and Help Us"

J. H. Gundy, of Wood Gundy & Company, one of the Canadian governors of the association, rises to add his welcome to that of the Lieutenant Governor and the Premier of Quebec. It isn't the tense Mr. Gundy of drives. It is the very human merry Mr. Gundy that perhaps is better known in his home than to the public. Mr. Gundy has some fun with the early history of Quebec, and with his fellow members both from the United States and Canada; but for all the light touch he gives a glimpse of a greater Canada, a Canada that may unashamed utter the Macedonian Cry: "Come Over and Help Us."

"You have gathered, in the United States, in the last ten or twelve years, the surplus liquid capital resources of the whole world. England, France, Germany, Austria, and South America, are all now coming to you to learn from you whether these surplus capital resources of the United States shall be spent at home or shall be spent to rebuild Europe, or shall be spent to develop South America, or, perchance, shall be invested to advantage in the great country of Canada. I don't know whether it is a good thing for us to advise them to come here or not, Mr. Fraser. I think, perhaps, we ought to tell them something that is wrong with the country first, anyway (laughter).

"You know what competition is! There are very few people here, and there is a lot of rock and there is a lot of waste land, the distances are great and we are very much spread out. But, then, as an honest member of the association, one must also admit that we have got some good, keen Scotch, Irish and French economists here to make a three-penny bit go almost as far as they do in old Scotland, and they built up a solid structure, which means that this country will develop into a great state in the years to come.

"For instance, we are doing a tremendous foreign trade here for our eight million of population. I think it is about $142 a head of foreign trade, very much greater even per head of population than the United States. Of every ten bushels of wheat produced in the world, we produce one. We have great gold mines. More than half of the newsprint you use in the States comes from Canada, and most of it from the Province of Quebec.

"We have a country that is well supplied, almost too well supplied, with railroads. It is easy to come from one part to another, and during the next few years this country is bound to have an influx of population, not only from Europe, but also from the United States, that will involve the necessity for tremendous expenditures of capital, and I think on the whole we are safe to suggest to the members of the Investment Bankers' Association that we will be glad to have them come back to us often and take a part in the development of this great country."

There's purpose to the convention. The report on Foreign Bonds is read—a report representing work which could hardly be afforded by any one firm—done by all uniting for the benefit of all. And there is an openness, a frankness, to the proceedings. No sessions in camera. Publicity is frankly sought. The Press arrangements under Director of Publicity Harry Roscovar and asst. director, Robert Herman, are perfect. Ten minutes after an address is made copies are ready for all interested. Surely there is food for thought here for Canadian associations, manufacturers, yes and of bondmen too. Associations who having nothing underhand to hide, yet frequently insist on secretiveness, and so arouse ill founded suspicion.

The president is speaking again: "We want to make regulations for ourselves," he says, "for if we don't we'll have regulations made for us by people who through lack of full understanding will cramp our freedom." —Words to that effect.

Consider that. How often has regulation from within an organization been withheld until legislative regulation has been enacted—disturbing, impeding regulation?

Such are a few impressions but over all and through all, is the impression of friendliness. The Investment Bankers' Association of America is working, playing and enjoying one of Quebec's glorious autumn weeks in this glorious city of Old Quebec. The convention cannot be other than a success for its members. It cannot be other than a success for Canada.

MOTOR TRANSPORT IN CALIFORNIA

Motor stage and truck business in California is growing rapidly, according to the auto stage and truck department of the California Railroad Commission which has just completed a survey on the basis of full returns for the fiscal year ended June 30, last.

BOND MOVEMENTS OF THE WEEK

Week Ending October 12

Bonds—	Int. Rate	Due	Yield	Range. High	1926 Low	Range, 1926 High	Low	Ask	Latest Price Bid	High	Low
Asbestos 1st mtge.	6	1941	6.31	..	..	97	96¼	..	97⅛	97	..
Asbestos gen. mtge.	6	1956	7.27	..	..	85	81¾	84	83½	84½	83½
Can. Cement	6	1929	5.27	103½	100	102¼	101½	102	101½	102	..
Dom. Coal	5	1940	6.72	90	84	89½	84½	84½	..	84½	..
Dom. Iron	5	1929	....	94	86	92	70½	71½	..	70⅝	..
Montreal Trams.	5	1941	5.22	98	97	101½	97¾	97¾	96¾	97¾	..
Do. "A"	5	1955	5.48	.98	92¼	95	92⅛	93¾	98	93	92⅞
Ogilvie "A"	6	1932	5.31	106	104	104	103½	103½	..	103½	..
Penmans	5	1926	5.50	99	98	100	99	100	99½	99½	..
Quebec Rly.	5	1939	5.54	98	89¾	95	91⅞	95	94	95	94½
Wayagamack	6	1951	6.03	98¾	84¼	100¼	91¾	99¾	99¼	99½	99
War Loan	5	1931	4.80	102.65	101.00	102.40	100.35	101.05	100.85	100.85	100.75
Do.	5	1937	4.60	104.95	103.80	104.65	103.20	103.55	103.20	103.65	103.25
Victory Loan	5½	1927	4.95	103.15	101.70	101.75	100.15	100.80	100.60	100.55	100.35
Do.	5½	1933	4.78	107.00	105.10	106.80	103.65	104.45	104.10	104.45	104.00
Do.,	5½	1934	5.03	104.80	103.20	104.10	102.70	103.15	103.10	103.25	103.00
Do.,	5½	1937	4.70	110.00	108.15	109.30	106.95	107.05	107.00	107.20	106.95
Do. Renewal	5½	1927	4.90	103.15	101.70	101.75	100.00	100.50	100.15	100.25	......
Do. Renewal	5½	1932	5.03	104.20	102.60	103.40	102.00	102.60	102.25	102.35	102.10
Do. Refund	5	1928	4.90	100.45	100.15	101.30	99.00	100.30	100.10	100.25	100.00
Do. Refund	4½	1940	4.85	97.25	92.00	96.70	95.60	96.00	95.85	96.15	95.90
Do. Refund	5	1943	4.87	102.95	100.15	102.20	101.15	101.60	101.25	101.60	101.25
Do. Refund	4½	1944	4.80	97.65	96.20	97.15	95.80	96.2	95.95	....	....
Do. Refund	4½	1946	4.79	.....	......	96.50	95.65	96.20	96.00	96.20	96.10

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Brantford	Oct.	Locally	....	....	$9,000	....	...
St. Jerome Que.	Oct.	Municipal Debentures Corp.	5%	25-yr. serial	30,000	96.80	5.33
Pointe au Pic, Que.	Oct.	Municipal Debentures Corp.	5½%	10-yr.	40,000	99.55	5.59
Cobalt	Oct.	Bank of Commerce	5%	30-yr.	35,000	99.03	5.05
Niagara Falls	Oct.	McLeod, Young, Weir & Co.	5+5½%	10 & 20 yr.	307,283	98.79	...

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Bond Issues	Date issued	Offered by	Rate	Due	Amount	Price	Yield
Acadia Sugar Refin.	Oct.	Royal Securities Corp.	6%	1946	$2,500,000	96	6.35
London Realty Co.	Oct.	Royal Securities Corp.	6½%	15-yr.	750,000	98½	6.65

G & Co LTD

7% First (Closed) Mortgage 20-Year Sinking Fund GOLD BONDS

Secured by the Land and Buildings of

The "St. George" Apartments

offer you a long term investment which has the well-secured high interest yield of an individual mortgage and the convenience and saleability of a bond.

The "St. George" Apartments, a new and modern building located on a valuable site at Bloor and St. George Streets, Toronto, will yield revenue from rentals of twice the amount required to meet bond interest, according to a conservative estimate; while the total bond issue is only 59 per cent. of the appraised value of the land and buildings.

Write us for complete details of this attractive investment.

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7% UNITED BONDS

Increasing Security

Every issue of United Bonds is secured by a property the value of which is nearly twice the total of all bonds against it at the time they are issued.

Moreover, as certain of these bonds mature, year by year, and are paid off, the margin of security value behind those that remain outstanding grows gradually greater during the entire lifetime of the issue.

Write us for details of issues

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Phone 5079
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7% and BONUS of COMMON STOCK

Earnings

Net earnings of this company are estimated at nearly five times the interest charges, leaving a substantial surplus available for dividends on the common stock.

Canada-West India Products Corporation Limited
7% Five-Year Collateral Gold BONDS

Price 100 and interest, carrying a bonus of 10 shares of common stock with each $100 par value of bonds.

Circular giving full particulars on request

Kindly send me full particulars about the above issue.
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1st Mortgage 5% Bonds Due 1956
Price: 94 and interest to yield 5.40%

Gatineau Power Co.
6% Gold Debentures Due 1941
Price: 99.50 and interest to yield 6.05%

Canada Steamship
6% Gold Bonds Due 1941
Price: 97 and interest to yield 6.30%

Ste. Anne Paper
1st Mortgage 6½% Bonds Due 1946
Price: 100 and interest to yield 6.50%

Montreal Power
1st Mortgage 5% Bonds Due 1951
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Vienna 4½'s 1917 ...... $2,000
Vienna 4½'s 1918 ...... $1,250

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Descriptive circular on request

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Members { Montreal Stock Exchange, Toronto Stock Exchange

Insurance for Buyer and Seller

MORAL HAZARD IS AGAIN TO FRONT IN AUTO RISKS

Scramble for Business and Low Rates Responsible —Tariffs to Jump

The keen competition for automobile insurance risks, which has been going on for the last year or two, has resulted in two things. lower rates and an increase in the moral hazard. Fire and theft claims are showing an increase and as a result it is now certain that 1927 will see an increase in auto insurance rates.

The history of automobile insurance and a general review of the experiences of underwriters, is an interesting story and was told to the Ontario Fire and Casualty Insurance Agents' Association at their recent Toronto convention, by C. M. Martindale, secretary of Home Insurance Co., of New York. He said:

Automobile insurance, in its initial stages, although small in premium income, had loss ratios that were remarkably low and profits were large. Owing to the poorly developed physical hazard, fire rates were high; theft was practically unknown and rates as low as one-eighth of one per cent. were found entirely adequate. Underwriting appeared unnecessary, business flowed in in an ever increasing volume, was accepted without question, and liability piled up rapidly. Second-hand values, with an ever increasing cost for new cars, caused no worry; there was a ready market for anything that ran; production could not keep pace with the demand; everybody was happy and contented; then like a thunderclap out of a clear sky came the post-war period of depression which continued for almost the best part of three years. Demand dropped off, car prices were drastically reduced, and cuts up to $1,000 were not unusual.

Originally written under a Marine cover, valued policies were in universal use; what happened? Owners found themselves in possession of cars whose value had depreciated to an unprecedented degree; those with insurance found themselves in possession of insurance policies worth their full face value under total loss and a face value in majority of instances sufficient to replace the old car with a new one, and in addition give a pleasant balance for the bank for other purposes. Results were immediate and inevitable, the by-ways and even the highways were strewn with remains of burned cars. Thefts increased in leaps and bounds, too fast for a natural development. Collusion was too apparent; abandoned quarries were often found full of stolen cars; loss ratios jumped to a point unbelievable; company executives became perturbed, in a number of instances beyond reason; wholsale cancellations were ordered, amounts of insurance were reduced where possible by endorsement, and the whole industry was in a state of turmoil.

Changes Radical

Underwriting became the practice, not the exception. Policy forms were corrected to safeguard companies' interests, rates were correspondingly increased and out of chaos gradually came a semblance of order, but the great harm had been done, the moral hazard had been created which has never been overcome.

Prosperity returned, prices were stabilized and demand increased, conditions improved, and once more automobile insurance became profitable. Some of those companies who curtailed their business have apparently once more thrown caution to the winds and there now seems to be a grand scramble for volume, as the following figures indicate:

	Conference Cos.		Non-Conference Cos.		Mutuals, Reciprocals and Inter-Insurers	
	Premiums	Loss Ratio	Premiums	Loss Ratio	Premiums	Loss Ratio
1923	$67,850,106	41 1/10%	$26,198,896	36.1%	$40,103,820	34.4%
1924	68,248,542	43.9%	31,663,783	39.6%	48,066,704	36.4%
1925	68,333,618	47.3%	44,564,915	38.7%	50,998,098	39 %

Note the remarkable increase in business for the non-conference companies, which is mostly attributable to cut rates and increased commissions. I would also at this point call your attention to the increasing loss ratios each year, and we anticipate for 1926 a still further increase without material change in the premium volume, except possibly for the non-conference companies. In 1924, owing to the remarkably good experience in 1923, rates were reduced and whereas the loss ratios increased somewhat under the reduction, it was deemed advisable, except in certain sections, to keep the general average about the same level for 1926. The experience so far reported for 1926 indicates a necessity for an increase in the rates applicable for 1927. Rates are now promulgated on an experienced basis. Beginning January 1st, 1927, all credits for approved locking devices, bumpers, etc., will cease. This is a big step in the right direction, it is now up to the manufacturer in order to produce a good insurance experience and secure the benefits therefrom, to equip his product with the best available locking devices, approved bumpers, etc. This is being done willingly and the spirit of co-operation evidenced by the manufacturers is extremely pleasing and beneficial results will follow.

The present situation of automobile insurance in U. S. is one hard to diagnose. It is a difficult matter to find two underwriters with the same opinion, some optimistic, others depressed, while a few feel satisfied. We seem to be living on the side of a volcano. We are pretty close to the long talked-of saturation point. Manufacturers do not agree with this statement and are continuing production at top figures. The second-hand market, if such a thing any longer exists, is at a low ebb, dealers are flooded. A new car is seldom sold which does not include a trade-in. Even when a second-hand car is sold it often happens the purchaser has an older car which the dealer must take in part payment. It looks like an endless chain. This condition behooves us to watch carefully all dealers' risks offered for insurance. Finance companies are extending their business rapidly. Today 75 per cent. of car purchases are made on what is commonly termed the deferred payment plan. Owing to the keen competition for business of this type on the part of the finance companies and to the very broad insurance protection available to them, I am sometimes forced to the belief that their credit departments occasionally become a little lax in their vigilance; almost anyone who has sufficient cash to cover one-third of the cost of the car, sometimes less, can obtain delivery. What is the result? A great number of finance companies are now competing with the dealer in their attempt to dispose of repossessed cars. We can only hope that the present pleasant period of prosperity may continue indefinitely; otherwise, our volcano may become active and destroy those who live on its slopes.

I spoke earlier about the creation of a moral hazard, it is beginning to show itself once more; the total losses by fire are becoming more numerous than for several years past. Partial theft losses are noticeably greater, so much so in fact, that we can be almost certain that they are not due entirely to outside sources. Again we fear collusion on the part of the owner. Often the price of a tire or two will cover the monthly installment due the finance companies; this evil can and will be corrected promptly through restricted coverage. Total thefts, whereas about as numerous as in former years, are not so serious. Better results are had, for recoveries are greater. This evil will grow less as our certificate of titled law is extended to those states which have not yet sensed the benefit of such legislation. The full co-operation which we now received from the Canadian Customs is also proving a material benefit and is greatly appreciated.

Some Life Companies Buy Stocks; Others Lean to Mortgages

Different life insurance companies pursue such widely varied policies in regard to the investment of their funds that study of them reveals no standardized practice.

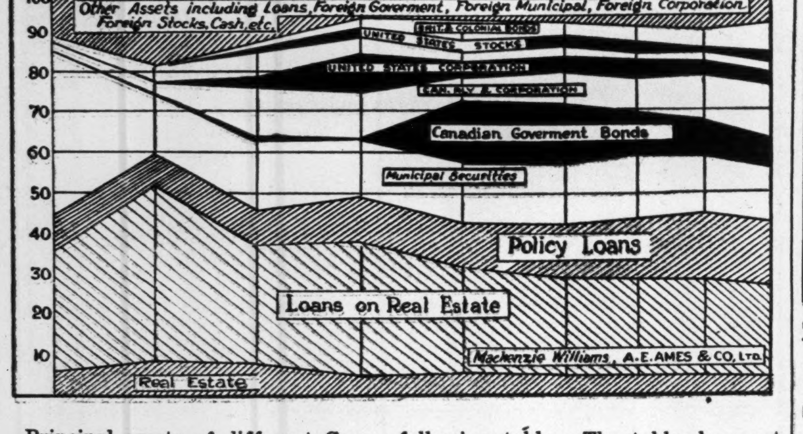
Canada Life's largest item is government and municipal debentures.

Great West Life has more money in real estate mortgages than in any other asset.

Sun Life has larger investments in corporation bonds and stocks than in anything else.

Tendency in recent years has been to broaden out into the field of corporation finance. Municipal securities are declining in favor because of the low yields.

Figures showing the division of invested assets of Canadian life insurance companies were given two weeks ago and the tendency in recent years is revealed in the following chart:



Principal assets of different Canadian life insurance companies, as at December 31, 1925, are shown in the following table. The table does not include such small items as interest accrued, outstanding premiums, etc.

Company	Loans on Real estate $	real estate $	Loans on collaterals $	Policy loans $	Bonds and debentures $	Stocks $	Cash $
Canada	4,832,429	38,240,246	97,500	15,528,976	46,912,922	1,958,865	1,117,600
Capital	3,581	155,334	......	248,887	1,086,195	....	7,572
Commercial	....	53,994	....	25,728	312,405	....	6,936
Confederation	2,696,063	7,618,899	....	6,363,179	24,321,876	1,488,648	365,443
Continental	499,249	988,746	396	631,753	2,022,618	38,064	39,005
Crown	399,708	3,877,863	....	930,293	1,551,576	....	150,040
Dominion	814,836	5,368,699	....	1,021,866	4,412,523	59,338	32,640
Dom. of Can.	....	6,100	....	....	93,659	....	8,071
Eaton	....	218,764	....	9,291	473,696	29,484	3,654
Excelsior	1,293,894	3,455,782	....	1,374,268	4,064,769	7,025	84,175
Great-West	2,307,326	32,360,940	....	11,152,226	21,681,140	620,491	236,528
Imperial	1,173,945	7,330,390	....	5,066,433	18,682,187	476,083	449,731
London	166,373	16,715,499	....	2,530,609	10,322,557	252,192	107,811
Manufacturers	1,583,377	11,797,288	309,216	8,234,033	33,436,923	455,540	396,876
Maritime	....	....	....	....	201,493	216	17,905
Monarch	99,975	2,523,222	....	638,708	1,062,320	1,555	49,137
Montreal	109,083	853,853	....	386,798	1,108,498	25,688	57,053
Mutual of Can.	1,843,651	24,619,520	....	11,161,570	30,378,769	82,907	969,624
National of Can.	250,000	....	....	910,314	5,329,475	187,204	75,377
North American	366,491	6,191,842	....	3,763,409	15,118,419	2,223,642	412,165
Northern	557,549	1,715,575	771	711,895	2,203,659	19,946	19,630
Royal Guardians	79,678	311,811	2,200	101,445	311,792	4,201	5,680
Saskatchewan	18,971	359,719	11,000	121,722	426,315	....	34,080
Sauvegarde	411,911	298,120	145,000	434,680	1,482,138	....	45,940
Security	22,297	225,943	....	91,048	305,513	....	58,924
Sovereign	184,371	1,066,234	....	440,499	1,387,984	13,400	29,622
Sun	6,532,878	26,638,919	743,650	41,798,590	115,334,653	77,876,422	2,971,522
Western	....	246,979	....	145,919	289,931	28,337	19,729
Total	26,247,636	193,240,282	1,309,733	113,825,139	344,316,005	85,849,248	7,772,456

Extravagance Danger of Too Free Credit Facilities

ATLANTIC CITY.—At the annual meeting of the directors of the National Association of Credit Men, the board urged prudence and good sense on the part of instalment buyers and sellers, stressed the need for honesty in business and deplored the estimated commercial failure loss of $600,000,000 annually.

Referring to instalment selling, the board states that "it cannot be questioned that extravagances are often encouraged by too free use of such selling."

"We must, as an organization," the board continued, "throw up danger signals whenever business practices contain elements of credit danger. Although as in our present instalment credit situation, the burden has not become too large for us to carry, yet changes from prosperous conditions must be taken into account. We therefore recommend prudence and good sense in instalment selling and buying."

First "Apple-ship" to England

Vancouver. — The first shipment of British Columbia apples to the United Kingdom abroad an "apple ship"—S. S. "Narenta"—went forward this week; 20,000 boxes of the fruit. Space has been taken on three refrigerator lines to carry 300,000 boxes of this year's crop.

Insurance Companies Paid $1,500,000 in Taxes

OTTAWA.—During the year 1925 the taxes on fire insurance business in Canada in percentage to premiums written were for United States and British companies somewhat higher than for the year 1924, while the taxes paid by Canadian fire companies were lower. The following is a record of taxes for the year 1925:

Companies	Premiums	Taxes	x1925	% 1924
United States	$18,988,640	$685,071	3.61	3.41
British	24,055,619	845,200	3.51	3.21
Canadian (all business)	12,485,822	372,979	2.98	4.25

xPer cent. taxes to prems.

The taxes paid in 1925 by United States and British Companies in respect of their Canadian business amounted to $1,530,271. These taxes are divided between the Dominion, the provinces and the municipalities. In regard to the Canadian companies, the proportion of the taxes, which are Canadian taxes, are not given as a separation of expenses between Canadian and foreign branches has not been made. There is a certain liability to home governments attached to the profits earned in Canada by United States and British companies. Such amounts should be added to the amounts shown above in order to arrive at the exact amount of taxes paid in respect of their Canadian business.

Marion Talley Insured for $500,000

Marian Talley, the well-known singer, has taken $500,000 of life insurance, her application having been secured by Willian Buchholz, of Oklahoma City. Of this sum, $200,000 is for the establishment of a trust fund to aid deserving young men and women to obtain musical educations, and the remainder is apportioned, $100,000 each, to Miss Talley's parents and sister.

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Current Events in Banking World

BANK PROTECTION VERY LARGELY A MATTER OF COST

Many Small Branches Keep Relatively Little Cash

By KENNETH WILSON.

There is undoubtedly a feeling that Canadian banks are not doing as much as they should to protect their employees from the bullets of the hold-up man. Much has been heard in the last few years about the elaborate precautions taken in the United States to protect bank premises from the periodic raids of the gun-men. Robberies that have recently taken place have led to a discussion of many questions regarding bank protection, that should be worth the thought and attention of bankers, especially in the smaller branch banks throughout the Dominion.

On the whole, the general concensus of opinion among bankers, seems to be that the banks are doing everything practical to protect their employees against the bank robber. Perhaps this is not so obvious here as in the United States, but after all a great many of the elaborate mechanical devices which are being used in the United States, would be impractical in Canada under present conditions. In the first place there are only a few cities in Canada which are large enough to compare with the United States cities. The amount of banking done in many of the large American cities gives rise to problems of protection that only arise in Canada in the larger banking centres. Another factor which is perhaps more important than anything else, is the fact that in Canada the banking of the country is carried on by a few large institutions which in most cases extend throughout the Dominion. In the United States, on the other hand, the system is almost entirely a local one, very few banks having branches.

Little Money at Risk

No small branch bank in Canada is allowed to keep more than a very nominal sum of money. Experience soon shows the average amount that will be needed on any one day and any surplus is at once collected by the head office. In Canada, instead of spending thousands of dollars to elaborately fortify its numerous branches, protection is concentrated upon larger offices and upon the men who actually handle the large sums of money. Thoroughly-equipped armoured cars make the daily collections and distributions to the branches and look after any transfers of cash that are made outside the walls of the main institution. These cars are the very last word in modern protective science; built of solid steel with bullet-proof glass, they have yet to be proven vulnerable. When being loaded or unloaded at the head office they are driven into a steel cage which is securely locked and which is a part of the bank building itself.

As far as the head offices are concerned, the Canadian policy of protection favors the more conservative methods. Our banks do not bristle with armed men who parade up and down or perch on steel turrets, but the protection is there and perhaps is none the less efficient because it is less ostentatious.

Another vital link in bank protection is the personnel of the bank. To use a familiar proverb, a bank is no stronger than its weakest link and very often that link has turned out to be an employee. Very often the break has been, not through any deliberate attempt on the part of an employee to rob the bank, but rather through the carelessness of some member of the staff who has forgotten for a moment to follow out the simple but necessary precautions that ensure safety and protection.

For instance, it is argued that if a daylight robbery took place it would be of little advantage for the teller to be protected by bullet-proof glass (which, incidentally costs from $20 to $30 per square foot). If the teller is doing his duty and performing the everyday routine of counting bills and scrutinizing cheques, his stomach is an easy target to the gunman who has just presented an innocent looking cheque to be cashed.

Most robberies, especially if they are successful, are the result of many hours and weeks of patient and unremitting toil on the part of the principals. They study the habits of the men whom they wish to rob and finally when they find a weakness they make their raid with all the precision of a military attack. The element of surprise is their greatest asset and one which only the greatest presence of mind on the part of the bank employees can overcome.

Perhaps the most important point from the business standpoint is the question of expense in relation to the risk. Thousands of small branches have relatively small amounts of money in their vaults. To establish elaborate protective systems throughout these branches would add very materially to banking costs. Such systems are justified and are now installed in the big city head offices where large amounts are deposited.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES	Oct. 8/25	Oct. 7/26
Halifax	$3,390,495	$4,137,299
Moncton	946,612	922,369
St. John	2,734,250	2,664,837
Quebec	6,426,641	6,491,503
Sherbrooke	817,452	1,069,791
Montreal	107,306,677	137,854,277
Ottawa	8,625,124	7,502,281
Kingston	1,072,474	1,047,922
Peterboro	935,786	1,182,406
Toronto	110,125,215	112,660,440
Hamilton	5,439,878	6,608,415
Brantford	1,617,319	1,561,227
London	3,351,948	3,531,166
Chatham	....	661,096
Kitchener	1,322,111	1,373,979
Sarnia	....	992,827
Windsor	3,307,759	4,635,978
Total, East	257,419,741	$294,897,613

WESTERN CITIES	Oct. 8/25	Oct. 7/26
Ft. William	$1,199,946	$1,134,529
Winnipeg	87,968,786	77,460,770
Brandon	924,565	949,030
Regina	7,863,157	6,383,384
Moose Jaw	1,642,734	1,761,417
Saskatoon	2,502,174	2,496,758
Prince Albert	349,145	460,637
Calgary	5,613,550	6,363,567
Edmonton	5,372,982	6,627,773
Medicine Hat	398,324	395,941
New Westminster	726,722	1,031,437
Vancouver	16,172,718	18,615,792
Victoria	2,203,392	2,405,937
Total, West	132,938,195	126,086,972

FORGERY IS AMERICA'S FAST GROWING CRIME

Business Men Warned That All Signatures Should be Carefully Guarded

LOUISVILLE.—W. L. Barnhart, resident vice-president of the National Surety, was one of the speakers at the recent meeting of the Kentucky Bankers' Association here, discussing forgery and manipulation of bank checks as America's fastest growing crime. He said that annual losses from this source run into hundreds of millions, but that little is heard about them inasmuch as the business man who has been victimized by these forgers is generally more or less ashamed of the fact and keeps his losses to himself. He demonstrated to the banker that there is no mechanical device or safety paper which gives absolute immunity from the attack of the professional pen crook. He said that in the testing laboratories every type of mechanical device on the market has been manipulated successfully, showing that none gives safety.

Mr. Barnhart outlined the method of operation of forgery experts, who usually work in gangs, each member having his special duty in which he is master. He shower how easily thsee gangs secure checks of well known concerns, showing a dozen or more valid checks which he himself secured in order to illustrate how the crooks might work.

Mr. Barnhart also pointed out the dangers through the amateur check crook, the cashier, bookkeeper or employee who, being hard pressed for money, steals from his employer by the use of his bank book, from which he can secure blank checks and canceled vouchers as copies for forgery. He advised every business man to lock up his canceled vouchers or destroy them, as every banking signature may be a potential cause of loss. He also advocated the checking up of bank books every month or several times a month if the account is active, with the canceled vouchers returned by the bank. He said that this is one task which no business man should ever trust to a subordinate because thereby he may be giving to him, the very person who is stealing from him, an opportunity to conceal his speculations by destroying the evidence which would convict him.

Minimum Salaries Are Increased by Commerce

Effective October 1, the basic salary for junior clerks in the Canadian Bank of Commerce will be raised from a minimum of $400 per year to that of $500. C. L. Foster, staff inspector, points out that this stipend was a base on which the remuneration for the different positions of that class are computed. It is reckoned on the cost of living in the average small town and where that cost is greater an allowance is granted over and above the minimum accordingly.

In Toronto offices this allowance amounts to $300, bringing under the new arrangements the salary for a junior clerk up to $800 per year. In smaller cities the allowance is smaller. In some cases rooms are given in lieu of monetary remuneration.

"The increase," Mr. Foster stated, "had nothing to do with complaints of men not getting enough money. The figure is what we believe to be the market price for the class of labor that we require. We have put the salary up in order that we may be able to attract and hold such men as we want. We expect at least junior matriculation, and possibly senior matriculation, or a business college training."

Weyburn Security

The Weyburn Security Bank, has opened a branch at Rockwood, on the Assiniboia extension of the C. P. R. formerly known as Valley City P. O. The manager is J. H. Templeton.

FAR FIELDS ARE DISAPPOINTMENT FOR THE BANKERS

Better Off in Canada Than in States at Larger Salaries

There is no doubt much to be said for the argument of the junior employees of Canadian banks that they are but inadequately paid for their services. Frequently it is urged that salaries are better in the banks in the United States. However, Canadians who have entered American banks have quite often found disappointment in the net if not in the gross return for their services. Just why is explained in the following contribution from the member of the staff of a branch bank in a small Ontario town—who speaks from experience.—J. W. T.

Of the many bankers who have left Canada to assume positions in the banks located in the larger American cities, all of them with very few exceptions are looking forward to the time when they can return to Canada, and the greater majority of them are most anxious to return if they could find positions that would pay them a great deal less than they are now receiving. A young Canadian bank clerk from a small city or town spending his vacation is, no doubt, greatly taken with all the amusements, bright lights, etc., but if he has a position in the city, he will generally find that he has very little, if any, money to enjoy these amusements. On Saturdays and Sundays when he is off duty the prices are always raised, and with the extra crowds there is little enjoyment. In the banking business it is not the present that is of importance, it is the position that will be secured in the future. While promotion sometimes seems slow in the Canadian banks, there are always openings for the ones entitled to them, and while the salary sometimes offered by the larger American banks may look very attractive, there are many other considerations. The chance of promotion in American banks is not the same as in Canada; in the cities the tellers in most of the large banks are men who have been on these posts the greater part of their lives, and are well up in years, and if they had been in this country they would now have been managers of fair sized branches.

A large American bank is divided into many departments, and a young man getting into one department gets no experience in other departments, and his chances of promotion can only be in this department. In case an executive position in the department becomes vacant, it is apt to go to some party having a connection with the directors or other leading officials of the bank. It should also be taken into consideration that very few banks have pension funds for the benefit of their staff, and while a young man may not consider this of importance, when he has spent ten years or more in the bank, it means he must save a large amount to give him the protection he would have secured if he had never left the Canadian bank. During slack times in Canada he is sure of his position, but in the United States during slack seasons clerks are let out the same as in other organizations, and it is at such times that positions are hard to secure.

Working conditions are also different to what these clerks have been used to. They generally have to live many miles from their work; a considerable part of their day is taken in getting to and from work, and this always occurs at the rush periods, when trains, cars, etc. are crowded. The work is generally of a routine nature, and no interest is taken by any others, but if a mistake is once made, another clerk is given the position, as in every bank there are always some leaving each week, and new ones starting the first of the following week. Living conditions in a city are altogether different from a smaller place, and unless a party has relatives or close friends he soon tires of the casual amusements, etc., and friends are not easy to make. This is especially true of bank men who are married. There are in American banks many clerks with excellent education and good ability, and it must be taken into consideration that Americans are always given the preference over Canadians in the higher positions when they are opened.

It is the advice of a bank manager who occupied a good position for some time in an American bank, to any party considering leaving a Canadian bank to enter the employ of a bank in any of the large American cities, to not let the salary they are to receive to start influence them altogether; look to the future, and in years to some they will probably find that they would have been far better off had they continued in the service of the bank in which they are now employed.

Staff Gossip

J. Earlwood, of the Canadian Bank of Commerce staff, has been transferred to Winnipeg.—Herald, The Pas.

* * *

Morley Robinson of the Bank of Nova Scotia staff has been transferred to Santo Domingo—Mail, Fredericton.

* * *

K. S. Feader, accountant of the Canadian Bank of Commerce, Port Arthur, has been transferred to the head office, Toronto.—Chronicle, Port Arthur.

* * *

Robert Warner, for the past three years accountant at the local branch of the Bank of Toronto, is being transferred to the main office of the institution at King and Bay Sts., Toronto.—Expositor, Brantford.

* * *

William Wilkins, who for the past two years has been manager of the Bank of Montreal branch, Fort Erie, has left to assume his position as manager of the Bank of Montreal in Verona, Ont. Previous to accepting the position in the Fort Erie bank, Mr. Wilkins was manager of the Molson's Bank in Ridgeway.—Review, Bridgeburg.

* * *

W. R. McKenzie has resigned from the service of the Standard Bank and will be succeeded as manager at the Portage and Smith Sts. branch by P. Billington. Mr. Billington comes to Winnipeg from Drumheller, Alta., where he was manager of the Standard Bank branch at that point.—Free Press, Winnipeg.

* * *

Harriston citizens gathered at the Royal Inn to do honor to D. P. Macfarlane, manager of the local branch of the Standard Bank, who has been transferred to the Alton branch. Mr. Macfarlane has been a resident of Harriston for the past eight years and through his untiring work and devotion to everything for the betterment of the community has endeared himself to all residents of the vicinity.—Sun Times, Owen Sound.

Bank of Montreal

A branch of the Bank of Montreal will be opened shortly at No. 1439 Yonge St., corner of St. Clair Avenue and Yonge Sts., Toronto.

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Toronto Ottawa Winnipeg Saskatoon Vancouver.

MORTGAGE LOANS BEING RAISED TO SIXTY PER CENT.

Rate is Low and Building Situation May Be Overdone

There are not a few who feel that the real estate situation as it exists at present is not without some danger. In the first place, the demand for first mortgages on improved real estate throughout the country is so keen that there are many who are willing to loan up to more than the customary fifty per cent. of the value of the property. It has long been considered that fifty per cent. of the valuation of the property stood the test of time and such a margin protected those looking for safety only in their mortgage investments from real estate slumps, together with decreased values and legal expenses incidental to foreclosures, and that anything over that sum was courting an unnecessary risk.

Money is cheaper at present than it has been for some time and building has been proceeding at a rate that could almost be called "booming." Many companies and individuals are loaning on first mortgages amounts about sixty per cent. of the valuation. The prevailing rates on improved property, or the finished product are about 6 per cent. building loans 6½ per cent. It might be thought that the scarcity of first class mortgages might result in still further lowering of the prevailing rates, but the larger loaning institutions are maintaining the present rate and seem likely to do so.

In this connection the manager of one of the old-established mortgage companies in Toronto said: "While it is undoubtedly true that in the cities of Montreal and Toronto, and presumably in other cities, the supply of dwellings is in excess of the demand, there is no cause for apprehension on the part of the mortgage holders as regards the safety of their securities. Some depreciation in the value of buildings erected in the past two or three years has already taken place, but this has been discounted by the reputable companies when making loans, who with their large and experienced staff, reduce to a minimum the risk of overvaluation. And though loans are being made on a basis of 60 per cent. of the valuation, there is a sufficient margin of safety to fully protect the mortgage holder. Competition is unusually keen, of course, but we have been able to make all the loans we want at a rate of 6½ per cent."

There is also another point worthy of consideration. In such large cities as Toronto and Montreal there are periods of depression in real estate from time to time, but these are only of a temporary nature and the intrinsic value of the properties back of the mortgages is not seriously affected, even on the present loaning basis of 60 per cent. of the valuation. Stress has also been laid on the fact that builders are increasing the scale of their operations from year to year, despite the surplus of dwellings, but this is a point that can be largely discounted.

How Former Minister Invested a Fortune

National Trust Company Ltd. is applying for probate of the will of the late John Ferguson, of Toronto, who was formerly a minister of the Presbyterian Church in Canada and subsequently a farmer and rancher in Manitoba. Mr. Ferguson died in Bay City, Michigan, at the age of eighty-four and was buried in Beechwood Cemetery, Ottawa, where a brother, Alexander Ferguson, Q.C., a former resident of Ottawa, is buried. The late Peter Ferguson, of Hollywood, California, who was at one time a well known lawyer in this country, was also a brother of the deceased.

The estate amounts to approximately $216,754.81, made up as follows:

Cash in Bank	$67,728.35
Bonds:	
Dominion of Canada 5½%	6,269
Dominion of Canada 5%	9,870
Dominion of Canada 4½%	3,927
Ottawa Traction Company 5½%	1,002
City of Hamilton 6%	1,.018
City of St. Catharines 5½%	2,063
City of St. Catharines 5%	1,012
Town of Barrie 5%	1,673
Southern Calif. Edison Co. 5½%	2,090
Pacific Gas & Elec. Co. 5½%	1,034
United Gas & Fuel Co. of Hamilton 6%	3,024
Belgo Canadian Paper Co. 6%	1,008
Price Bros. & Co. 6%	1,032
City of Victoria 5%	975
City of Fort William 5%	982
Province of Ontario 6%	2,058
Province of Manitoba 4%	947
Province of B. C. 6%	1,105
United Kingdom of Gt. Br. & Ireland 5½%	1,774
City of Regina 5½%	2,019
Prov. of N. Brunswick 6%	1,040
Prov. of N. Brunswick 5½%	1,021
City of Toronto 5½%	2,037
Can. Cottons, Ltd. 5%	1,881
Ogilvie Flour Mills 6%	6,197
Wpg. Elec. Railway 5%	1,94[illegible]
Electric Develop. Co. of Ontario 5%	2,03[illegible]
Township of Minto Municipal Drain	913
	61,963.42
Stocks:	
Mackay Companies Pfd.	12,638
Mackay Companies, Common	13,500
Consumers' Gas	2,249
Bank of Montreal	7,980
Montreal Tramways	3,400
Bank of Nova Scotia	14,530
Bank of Commerce	11,10[illegible]
Standard Bank	3,629
Can. Perm. Mortgage Corp.	3,135
Toronto Gen. Trusts Corp.	6,021
	78,18[illegible]
Mortgage	5,090
Promissory Notes	3,790
	$216,75[illegible]

New Price Record for Vancouver Real Estate

VANCOUVER.—Fifty feet of property on Granville Street changed hands recently at a price of $205,000, establishing a new high figure for business property of $4,100 per front foot.

Navigation and Power Both to be Considered

Second of a Series of Articles on

Canada's Inland Waterway

By KENNETH WILSON.

FOR one hundred and fifty years Canada has been quietly and consistently improving her canals, and since 1783, when the first canals were built she has kept her great inland waterways navigable by means of her own money and man-power. To-day, however, new factors have arisen and we are thinking of joining hands with the United States in the most comprehensive and stupendous waterway program that the world has ever seen.

IN JANUARY, 1922, after two years investigation, the International Joint Commission, appointed by Canada and the United States to prepare a plan for the improvement of the St. Lawrence River, submitted their report. The commission itself was composed of three Canadian and three United States representatives, with Charles A. Magrath, now chairman of the Ontario Hydro-Electric Power Commission, as chairman of the Canadian section. Besides the actual report of the Commissioners, which has been printed by the United States as a senate document, an engineering report was prepared by two engineers who were appointed by the commission.

The basis of the investigation is contained in a series of nine questions submitted to the commission, the most important of which was:

"What further improvement in the St. Lawrence River between Montreal and Lake Ontario, is necessary to make the same navigable for deep water vessels of either lake or ocean-going type?

"What draft of water is recommended, and what is the estimated cost?"

Commission Recommended St. Lawrence

Here is the conclusion of the commission:

"That of all the schemes submitted, the natural route by way of the St. Lawrence is best, and that the volume of outbound and inbound trade that may reasonably be expected to seek this route is sufficient to justify the expense involved in its improvement."

They, therefore, recommended:

(1) That the governments enter into an arrangement by way of treaty for a scheme of improvement of the St. Lawrence between Montreal and Lake Ontario.

(2) That the new Welland Ship Canal be embodied in the said scheme and treated as a part thereof.

(3) That the cost of purely navigation works be apportioned between the two countries on the basis of benefits each will receive from the new waterway.

(4) That "power works" be built, installed and operated by, and at the expense of the country in which they are located.

In further summarizing their conclusions, the commission gave it as their opinion that the greatest beneficial use of the waters of the St. Lawrence could be obtained "by a combination of navigation and power development in the international section and of navigation alone in the national section."

The recommended depth for navigable channels is 25 feet, and where there are locks to be constructed to a depth of 30 feet, a length of 860 feet and a width of 80 feet. The estimated cost is about $252,000,000, which provides for constructing the navigation works and for developing 1,469,000 horsepower out of the total power available. To this must be added the cost of the new Welland Ship Canal.

Further Inquiry Now Asked

The net result of this inquiry has been that each country has decided that the project is of such great importance that further evidence must be obtained before any definite steps are taken. Officially, the United States seems to be in favor of the scheme, but Canada has withheld her decision pending a further investigation. In May, 1924, an enlarged Joint Engineering Board was appointed with very specific instructions as to their functions. The Canadian members of the board are Olivier C. Lefebvre, chief engineer of the Quebec Streams Commission; Brig. Gen. C. H. Mitchell, dean of the Faculty of Applied Science and Engineering, University of Toronto; and D. W. McLachlan, chief engineer of the Department of Railways and Canals.

Report Should be Ready Soon

This board has been engaged for the past two years in the task of revising present cost estimates, studying the question of water levels in relation to possible diversion; reviewing the engineering problems of the whole question, and estimating the cost of improving the other lake channels. Their report is eagerly anticipated and will be ready for publication about the first of November. In addition to the engineering board, each country has appointed a national committee composed of prominent men to carry out a separate investigation and to independently study the economic, commercial and political questions involved in the project.

The problem is so enormous, and in its many phases it affects so many interests that it will probably be some time before these men will be in a position to make their reports to their respective governments. Since the prime and ultimate object is to secure joint action for the improvement of the river, it is necessary that perfect unanimity be the basis upon which any treaty could be arranged. Success depends to a large degree upon the creation of a proper atmosphere between the two countries.

Big Canal Would Cost Quarter of a Billion

Here are concrete figures for the St. Lawrence ship channel, the figures being taken from publicity material prepared by the Great Lakes-St. Lawrence Tidewater Association:

Twenty-five feet depth, 33 miles restricted channel—cost, $252,728,200.

This includes powerhouse, installation of wheels, generating machinery, and everything necessary to produce 1,464,000 continuous, 24-hour horsepower at low water at the international section.

One hundred million dollars of the above amount is chargeable to power. That leaves the navigation charge on a 25-foot channel of $152,728,200.

THE NATION'S BUSINESS

(Continued from page 1)

mainly to questions of "status" and "privilege," there is a danger of the time being frittered away at the Conference and nothing accomplished. To men of his mentality—or of Mr. Meighen's great intellectuality — these things loom far larger than the steps to be taken to hold and delevop an Empire market of 450,000,000 persons. They cannot shape them. They live above the people. Typical of the premier's incapacity to understand these great problems is that he attaches more importance to the little niceties, privileges or status of the proposed ministry at Washington than to schemes for holding and extending markets for our Western farmers and our Eastern producers. He takes Vincent Massey to the Conference, but not the able Westerner, Dunning, or his minister of trade, Malcolm. Thus, he unintentionally plays Germany's game. The Montreal Herald (Liberal) seems to anticipate this when it complains that it is unfortunate Mr. King had to waste time by going as "these conferences have failed to have any constructive influence whatever," but that it was necessary for him to go if only to show that he was not a separatist.

Happily, Bruce, of Australia, and Coates, New Zealand, are keen on the trade problems and say they do not want to waste time on constitutional technicalities. The story persists Western interests see the need of Canada having men of that type at the conference and the pressure is so great that Mr. Dunning will yet go, and, possibly, Mr. Malcolm. Many Liberals in the West and Quebec would feel more comfortable with them there. It is significant that Mr. Dunning was not on the programme to speak at Quebec, but there arose so persistent a demand that he had to accede. He spoke briefly but exceptionally well, and was received with unusual cordiality, so far exceeding that of Mr. King as to create comment.

* * *

HON. MR. KING, in his farewell address at Quebec was not disposed to agree with The Post that the Robb budget was responsible for the Liberal win. He claimed it had not been due to any one thing, but the good record of the Liberal Party since he assumed office in 1921. He stressed strongly the constitutional issue and repeated it in his wireless message from Belle Isle.

* * *

WHEN The Financial Post first suggested that the time would come when we would be seeking German immigrants for Canadian farms we were accused of treason. When, some years later, we said the time had come when we should go out strongly for them, many loyal newspapers criticized us and said such a policy was unthinkable, some societies passed antagonistic resolutions and the Government was frightened into keeping Germans on the undesirable list. But at no time have we, or will we, ever give the German nation the cordial endorsation that came from Rev. Prof. Pilcher, preaching to the largest of the most ultra-loyal congregations, St. Paul's, Canon Cody's church, in the vociferously, violently loyal city of Toronto on Sunday last. His words were broadcast but so far there have been no protests.

When The Post took the unpopular stand it did, years ago, it merely said what experience showed would happen, and what unprejudiced business leaders knew would happen. But even the lessons of experience must be broken gently to the unthinking public, we know to our sorrow. The facts are, as we pointed out on several occasions during the war and since (when Canadians of German descent were often unjustly treated), Germans have made exceptionally fine Canadians, many of them, in fact, being among our earliest settlers—the U. E. Loyalists. Once more we have a good opportunity—which may not last long. There is much unemployment in Germany and in Teutonic areas in Europe. They are now good prospects and Hon. Mr. Forke, and his Immigration Officials, the latter of whom are always afraid of unimportant agitators and ignore important advisors, can now go on without fear of criticism and get them before the revival of their industries. There are no more law-abiding, industrious peoples in Europe than the Germans—but these people must not be confounded with the Prussian-German officialdom, industrialists and exploiters who continue a real menace to British and United States interests through Soviet propagandists working through labor leaders in the churches and Christian movements, and with secret agents working on our political leaders. Their influence at Ottawa was strong during the war and is more powerful to-day. With them there can be no compromise.

THOUGH HIGH, SHAWINIGAN STOCK STILL ATTRACTVE FOR A HOLD

(Continued from page 1)

thought that the power site can economically produce some 300,000 h.p. on a 70 per cent. load factor basis. Or, in other words, it will be possible to erect the dam to a height which will allow the flow of water to produce 300,000 h.p. during 70 per cent. of the day—or month, or week, for that matter. When the turbines are not generating at capacity, it will be possible to store water in the dams.

In all, 300,000 H.P.

Thus it may be anticipated that Carillon will produce about 300,000 h.p. Some of the output will go to the Ontario Hydro Electric Commission and, it is said, the Montreal Light, Heat and Power Consolidated will also participate in the undertaking; the latter would also obtain some of the output. Therefore, it seems a fair assumption that Shawinigan will obtain say, 100,000 h.p. from Carillon within the next three years.

As the company now distributes just under 600,000 h.p., it can be seen that a further 100,000 h.p. from the Saguenay and 100,000 h.p. from Carillon would increase Shawinigan's output from 600,000 h.p. to 800,000 h.p. within, say, the next three years. It is obvious that such a ratio of expansion is no greater than the company's growth in the past—an expansion, incidentally, at which the shareholders have every reason to feel pleased. Moreover it seems probable that the full potential capacity of Carillon will not all be developed immediately.

The present price at which the stock in changing hands leads to the belief that split in the shares is inevitable shortly. Just what form this split will assume is not clear, but it is rumored that the shareholders will be given four new shares for each share of their present stock. One of these would be a preferred share bearing interest at 5 per cent. and the remainder would be common shares of no par value. The preferred stock it is said, would have a par value of $50 and the new common would pay $2 annually. It is said also, that the company will then offer one share of new common stock for every four outstanding at $40 per share.

However, all this is little more than mere gossip. Nevertheless, the fact remains that Shawinigan is doing extremely well and that those shareholders who are willing to await developments will without doubt be eventually well rewarded.

Initial Meeting Held to Form Statistical Society in Toronto

At the call of Professor Michell, a meeting was held in McMaster University to determine whether there was a need or not of forming a branch of the Canadian Statistical Society in Toronto, similar to one now functioning in Montreal. The meeting was largely attended and, after considerable discussion, it was decided to form a temporary committee, under the chairmanship of Professor Michell, to draw up a programme of suggested activities for a Toronto society.

This committee will report at another public meeting, to be held within the next week or two, when it will be decided if such an organization is needed in Toronto.

ROYAL BANK

The Royal Bank announces the following staff appointments: On the occasion of his transfer to Embrun, Ont., where he has been appointed manager, J. A. Cloutier, Shawinigan Falls, was presented by the staff with a case of pipes; H. G. Strople, accountant at Sydney, was presented with a silver cigarette case by members of the staff on the occasion of his transfer to St. Peter's as manager; on the occasion of his departure for Lima, Peru, to which branch he has been transferred, H. L. Mann was presented with a club bag by his fellow-workers of Cordova St. branch, Vancouver, B. C.; after being stationed for eight years at Dundurn as manager, H. C. Kent has been transferred to Lawson, Sask., in the same capacity.

Commission to Probe N.B. Lumbering Industry

FREDERICTON.—A commission to investigate the lumbering industry of New Brunswick has been appointed by Premier J. B. M. Baxter, to consist of the following members: Justice Grimmer, of the Supreme Court of New Brunswick and F. C. Beatty, of Saint John.

Complaints from North Shore sawmill operators and the general unsatisfactory state of affairs, have moved the government to form this commission, in order to discover just what remedies can be applied to the lumber industry, in order to put it on a sound footing.

A Good Omen

Winnipeg.—While the average hard-headed farmer pays little heed to talk about wet or dry moons, more than usual attention is being given, following the abnormal spell of rains and snows, to the assurances of the Indians that the recent lunar change brought in a distinctly dry moon. It is certainly to be hoped that on this occasion at least the weather prognostications of the Red men are right.

FOREIGN EXCHANGES

Brazilian Milries Center of Interest

Conducted by S. J. ZACKS.

Italian, Brazilian and Norwegian currencies provided the greatest gains for the week, and were as well the currencies of greater activity. The lire in particular continues to attract greatest activities, and during the week sold as high as $.0415, a change of about 40 points from the low of last week.

Strength in U. S. funds has been marked, having touched par. On Wednesday the discount was again 3/64 per cent. One of the causes of weakness of Canadian funds is the fact that England is buying our wheat on a hand-to-mouth basis owing to the strike.

Sterling has declined slightly again this week, but on the whole is quoted strong. Fewer cotton bills than anticipated owing to the cotton situation are in part responsible for the comparative strength of Sterling.

The future of Brazilian has been a point of interest to many this week. Milries came within a few points of the year's low at $.1390. The decline in milries followed. President-elect Luie's statement, which intimated that the then obtaining levels were too hard upon business. In little over a year milries rose from $.10 to $.15, which has had the customary deflationary effect. The government too deflated its circulation and floating debt. Retrenchment had reached a critical stage, and although stabilization had been expected to be effected at about $16, it is now felt that the rate would be too severe for business. A lower rate will undoubtedly improve domestic business and discourage imports. Temporarily, the first impetus would be to encourage importers. The Brazilian government's financial condition is considered good, and should milries require support, it is understood the bank of Brazil has the necessary resources.

A most sensational movement was that of Norwegian Kroner, which jumped 100 points overnight, when the Norges Bank became a heavy buyer. The buying is part of the scheme to push kroner to parity, 26.8 cents. It was quoted this week as high as 23.35 cents. Some months ago the Norwegian bank let up on buying because of the heavy short interest which it was unable to control. Speculators have now turned long and are riding on the present crest.

Belgian francs again moved independent of the French franc. The reception of debt settlement scheme by French Parliament does not afford grounds for great encouragement.

Poincare's budget introduced in the Chamber shows a surplus. 1,500,000,000 is expected to come from reparation payments, while 2,375,000,000 francs are allowed for foreign debts. The market at the moment is not too hopeful with regards to debt settlement scheme plus reservations ever being put into effect.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Oct. 7	Par	1-32	1-32	3-64
Oct. 8	x1-64	Par	3-64	1-16
Oct. 9	x1-64	Par	1-16	3-32
Oct. 11	Par	Par	7-64	1-8
Oct. 12	Par	Par	1-8	1-8
Oct. 13	Par	3-64	1-8	1-8

xPremium.

STERLING, FRANCS AND LIRE

	Sterling close	Francs close	Lire close
Oct. 7	4.84 13/16	2.86½	3.88¾
Oct. 8	4.84⅞	2.87	3.95¼
Oct. 9	4.84⅞	2.86½	4.01¼
Oct. 11	4.84 13/16	2.86¾	4.10¾
Oct. 12	4.85⅛	2.88	4.07
Oct. 13	4.84⅞	2.83½	4.02½

FOREIGN EXCHANGE

Par		Oct. 6	Oct. 13
19.30	Italian	3.81¼	4.02½
32.45	Brazil	14.83	13.95
23.82	German	23.80½	23.81
19.30	Belgium	2.74¼	2.79
84.85	Japan	48.52	48.38

Aluminum Output Shows Developments Favorable

The value of aluminum produced in Canada reached a selling value of $9,137,305 in 1925, or approximately one dollar per head of population. This compared with a production of $7,700,822 in the previous year. There were 12 plants in operation last year, in which the capital employed totaled $9,191,213, and the average number of employees was 1,169. Salaries and wages paid out during the year amounted to $1,406,919. Raw materials cost $3,688,761, and the value added by manufacturing processes was $5,448,544.

An extensive programme of development is at present taking place in the aluminum industry around the Lake St. John district in northern Quebec. At the present time that area is producing a small output, which by the spring of next year is expected to be of considerable magnitude.

EST. 1867.
Kennedy Castings
Castings made to any size, in any quantities, from any casting metal, Kennedy assures satisfaction, prompt service and fair prices on your orders.
The Wm. KENNEDY & Sons Limited
OWEN SOUND, ONTARIO.
Representatives at: Cobalt, Toronto, Montreal, Halifax, Winnipeg, and Vancouver.

DIVIDEND NUMBER 155
Hollinger Consolidated Gold Mines, Limited
(No Personal Liability)
A dividend of 2% on the outstanding capital stock of the Company has been declared payable on the 4th day of November, 1926, on which date cheques will be mailed to shareholders of record at the close of business on the 19th day of October, 1926.
Dated the 12th day of October, 1926.
I. McIVOR,
Assistant-Treasurer.

IMPERIAL ROYALTIES
DIVIDEND NOTICE
No. 73
Imperial Royalties Company, announces that the regular Monthly Dividend of one and one half per cent. (1½%) will be payable on Oct. 30 to shareholders of record of Oct. 25.
This is monthly Dividend No. 73 making a total of 130 per cent. (130%) paid to shareholders since organization in April, 1920.
K. H. Kompfe & Co.
Imperial Royalties
330 Bay St., Toronto
218 Dominion Savings Bldg.
London, Ont.

THE A. W. CHASE COMPANY LIMITED
DIVIDEND NOTICE
Notice is hereby given that the regular 2 per cent. quarterly dividend on the 8 per cent. preferred stock of this Company has been declared for the quarter ending October 31st, 1926, payable November 10th, 1926, to shareholders of record, October 31st, 1926.
By order of the Board,
W. J. STONE,
President.
Toronto, October 14, 1926.

Eastern Canada Stores LIMITED
Dividend Notice
Notice is hereby given that the regular quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of Seven per cent. (7%) per annum, has been declared payable October 15th, 1926, to shareholders of record October 9th, 1926.
By Order of the Board,
W. R. MARCHMENT,
Treasurer.
Oct. 7, 1926.

1000 Acres
Alberta Oil Leases
For sale for royalties or shares in development company plus small cash payment. Geologist's report. Opportunity for promoter.
Box 288, Financial Post, Toronto, Ont.

Abitibi Power & Paper Company Limited
Dividend Notice
Notice is hereby given that a quarterly dividend of One Dollar ($1.00) per share has been declared on the Common Stock of the Abitibi Power & Paper Company Limited, payable the 20th day of October, 1926, to shareholders of record at the close of business the 9th day of October, 1926.
By Order of the Board.
W. H. SMITH,
Secretary-Treasurer.

Experienced Business Executive Available
Highly skilled in business organization and sales promotion; forceful and creative; can demonstrate results.
Now engaged, but seeking a connection offering greater scope. Has had unique experience in all branches of industry; qualified to fill any major position — that of general manager or sales manager preferred.
An excellent opportunity for a progressive company to secure the services of a man of exceptional executive ability.
Reply by letter.
R. C. SMITH & SON LIMITED
32 Front St., W.,
Toronto 2, Ont.

Secretary — Stenographer
Young lady, experienced and efficient, and with executive ability, desires responsible secretarial position. References.
Address Box 290, Financial Post, Toronto.

CHRISTIE, BROWN & COMPANY, LIMITED
DIVIDEND No. 6.
A quarterly dividend of one and three-quarters per cent. was duly declared on the Preference Stock of this Company, payable to shareholders of record at the close of business, October 20th, 1926.
A dividend of thirty cents per share was also declared on the Common Stock of this Company, payable to shareholders of record at the close of business, October 15th, 1926.
Both dividends payable November 1st, 1926.
C. E. EDMONDS,
Secretary.
Toronto, Ont., October 11th, 1926.

Food Industries Number

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section 17-32 | PUBLICATION OFFICE: TORONTO, OCTOBER 15, 1926 | Special Section 17-32

Flour Milling Industry Reports Greater Output While Profits Decline

Competition from Better Located United States Firms is Still Intense

PRODUCT UNEQUALLED

Canadian Flour Millers Still Hold Premier Place in the Markets of Great Britain

A REVIEW of the year's operations in the flour milling industry shows a gradual expansion in volume of business although there is no improvement in the way of actual earnings of the milling companies. For the first 11 months of the official flour year, which ended July 31st, production in the Dominion amounted to 17,825,474 barrels against 16,875,000 the year before—an increase of approximately 1,000,000 barrels. To take care of enlarged demand the Canadian milling industry found it necessary to increase wheat grinding by more than 4,800,000 bushels of wheat. The volume of wheat consumed by the flour millers during the 11 months was 79,756,147 bushels, as against 75,899,962 bushels the year before.

During the year in question slightly more than half of the flour produced in Canadian mills found its way into foreign markets during the period. Exports for the 11 months involved a total of 9,917,316 barrels of flour which was an increase from the 9,354,355 barrels exported during the corresponding period of the previous year. The domestic consumption of flour in Canada for the first 11 months of the year just ended was 7,907,159 barrels, which is approximately 400 barrels more than the previous year, in which 7,520,645 barrels were consumed.

Milling Industry Grows

The figures shown do not indicate any remarkable advance in the production of flour, but it is evident that there is a slight growth and a much more rapid growth is indicated for the future. The wheat crop of 1925 is grown on an area of 31,967,538 acres, which is only a fraction of the arable land yet availible in Canada for this purpose. A conservative estimate of the total amount of land in the prairie provinces suitable for producing wheat, made by the Canadian government, is approximately 272,892,000 acres. Wheat produced in the calendar year 1925 was equivalent to 92,000,000 barrels of flour as compared with total flour production in 1925 of 18,562,000 barrels. While, of course, a large quantity of the annual output will be used for seed and export purpose, the margin for wheat available for manufacturing into flour over and above the amount used in 1925 for flour production furnishes convincing proof of the possible development of the Canadian milling industry during the next few years. Meanwhile it may be noted that the flour mills of Canada have already obtained a capacity far beyond the needs of their domestic market, as indicated by the figures preceding. As a matter of fact they are capable of producing flour enough per year to take care of the requirements of over 30,000,000 people as against our population of less than one-third of this number. The distribution of a commercially important milling capacity of the country by provinces follows:

Flour Imports—year ending August 31, 1925:

	Barrels	Percentage of Total Imports
Canada	2,528,445	42%
United States	2,175,746	36%
Australia	965,664	16%
Argentine	202,132	4%
Other Countries	111,709	2%
	5,980,696	100%

Flour exports have shown a steady increase, with minor fluctuations, since the inception of the industry, with the result that to-day Canada is the largest per capita exporter of flour in the world, as indicated in the following table:

Year ending Aug., 1925:

	Barrels Exported	Barrels (per capita) Exported
Canada	10,169,000	1.102
Australia	4,626,000	.797
Hungary	2,027,000	.264
Argentine	1,625,000	.170
United States	13,909,000	.122
Jugo-Slavia	696,000	.053
Italy	1,376,000	.034
Rumania	548,000	.031
France	468,000	.012
India	894.000	.003

Britain Still Leading Market

Great Britain is the largest importer of wheat flour in the world. She is also a very careful buyer, demanding the best available. As a consequence it may be anticipated that Canada will be able to retain the British market until a superior or equivalent grade of wheat is produced by some other country such as Russia. The leading producing countries of the world are naturally in keen competition to secure this trade, and the following figures indicate to what extent the Canadian Milling Companies have been successful:

	Mills	Barrels, Daily
Nova Scotia	27	1,285
New Brunswick	43	1,881
Prince Edward Isld.	18	674
Quebec	141	22,371
Ontario	217	66,524
Manitoba	29	12,415
Saskatchewan	40	9,238
Alberta	38	11,707
British Columbia	7	1,053

As a consequence of the superior quality of wheat from which Canadian flour is produced, the outlook of this product has improved until today the output of flour and grist mills is the second most important of any product produced in Canada, pulp and paper mills taking the lead. In view of the momentary difficulties faced by the milling companies, it is hoped that the coming decision with regard to freight rates on wheat milled in transit will be favorable to the Canadian producer.

Better Export Outlook for British Markets

Recent news to the effect that the English mines strike is slowly, but surely, collapsing, and that a large number of men had returned to work, holds out promise of a better demand from England for Canadian foodstuffs.

No pronounced change in the situation is anticipated directly, but as industry assumes a more normal condition, an increase in the buying power of the English public is expected.

Already there is a slight improvement in the demand for butter, cheese and bacon. Following on this, better sales are also expected for Canadian milling products, livestock, fruits, and other foodstuffs.

REFINERIES, NOT PRODUCERS, AIDED BY LOW PRICES

Canadian Manufacturers Benefit by Prevailing Price of Raw Sugar

The outlook for the Canadian sugar refineries is generally favorable. Every sugar refinery in Canada was adversely affected when the bottom fell out of the raw sugar market in 1920-21 and sugar simply could not be sold at any price. But to-day, those refineries which have found it necessary have completed a reorganization of their financial structures and are taking advantage of the bettered business which has offered itself during the past year.

While a major decline in raw sugar prices naturally re-acts unfavorably on the refineries, yet the low prices in themselves are advantageous, for thus the manufacturing companies in Canada do not need as large a working capital and with low prices, too, demand is stimulated. The refineries sell their output on a basis of cost of raw material plus manufacturing costs—and if low prices are prevailing, as they are at present, the profits of the refineries are in no way impaired.

World Overproduction

The reason for the prevailing low price lies in a world overproduction of sugar. Broadly speaking, the refineries prefer to have the price low. That prevailing prices will be maintained for some time is indicated in the fact that there has been little decrease in the world sugar plantings. While there has been a decided effort to restrict production in Cuba, yet, it is generally felt, that such restrictions will not affect very much the total world output. Sugar men generally anticipate a continuance of the prevailing low price level.

What is one man's meat is another man's poison. While the Canadian refineries benefit from the low prices, companies such as the Cuban-Canadian Sugar, which is engaged in the actual production and sale of raw sugar, are naturally experiencing hard times

But in a Way, Healthy

Taken by and large, it is probably a healthy thing for the sugar industry to have a period of low prices, provided such a period is not too prolonged. Low prices tend to restrict production and increase consumption—indeed they do so, not only in countries and by people where sugar is always sold, but also in poverty-stricken areas where sugar is a more or less rare commodity. In this way, an ever-increasing appetite for sugar is aroused, and once the demand is aroused, it is rarely lost.

Then, too, the producing companies are forced by the low prices to a high state of efficiency and a consequent lower cost of production. The benefits from this will be seen when the price advances to a more normal level, although in the meantime it will work a hardship on producers.

In the meantime, the Canadian refineries are thriving on the lower prices, whilst the producers are the ones who are having the harder time.

PACKING HOUSES STILL SUFFERING FROM DEPRESSION

Although Some Companies Are Finding Business Much Improved

COMPETITION KEEN

British Strike Was Serious Blow as United Kingdom is Largest Buyer of Products

STATISTICS prepared by the Dominion Bureau of Statistics show that Canadians are consuming larger quantities of meat per capita year by year. Yet adverse export conditions still exist in the packing industry. The situation was recovering somewhat owing to the gradual betterment in the European situation, but received a set back by the strike in Great Britain which cut down the consumption of imported meat very severely. Great Britain is the most important market for Canadian packing house products, and the situation there has created a difficult period for packing houses insofar as exports are concerned. During the past year Canada has exported $37,000,000 worth of meat to all countries, and of this amount the United Kingdom took $30,660,870 worth. Thus any factor affecting the British market adversely, creates a handicap in Canadian exports of these products. Incidentally this total of $37,000,000 compared with $22,504,357 two years ago and $29,032,978 last year, so that the annual exportation of these products is climbing rapidly.

The depressed state of the European market is not the only cause of trouble. Another factor is competition from certain European countries, notably the Netherlands. Until about two years ago this situation was a very difficult one to face, but during the past two years an improvement has taken place. Since the pound sterling has returned to par, the buying power of Great Britain has tended to transfer to America, and in this way Canadian packing houses are beginning to recover their former European business.

Raw Material Prices High

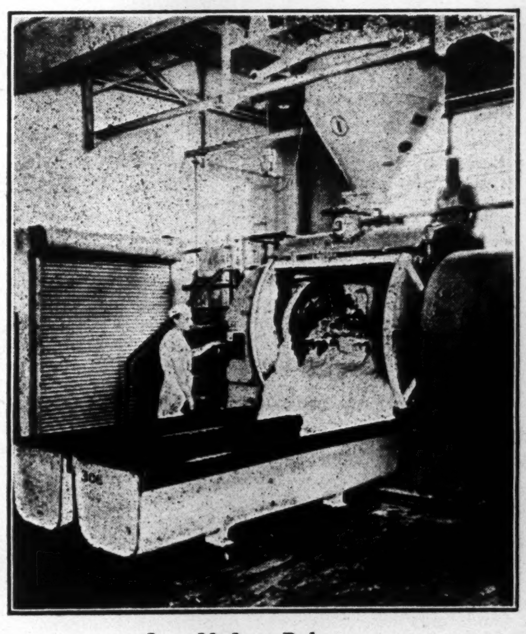
What seems to be at the basis of the trouble is the fact that raw materials are still relatively high in cost, in relation to the selling prices of the packing house products. The background leading up to this situation is now an old story. During 1921 and 1922 the price of hogs was so high that the volume of production expanded very materially, both in the United States and Canada. An over supply seemed imminent, and an effort was put forth to limit the raising of hogs. The packers' association in the United States broadcast a request urging farmers to do this, and was backed by the Federal Department of Agriculture at Washington. Unlike the situation in most manufacturing plants, production cannot be cut down by a small margin. In the hog raising and similar industries any such limitation is in danger of resulting in a very great decline in output. This is what took place. It was accelerated by the high price of barley, which at that time made it more feasible to sell the hogs young than buy the barley in the open market. As a consequence the visible supply became low and the ranks were so depleted that some time must still elapse before the shortage is overtaken. This re-acts on prices, and as a result the packers must pay higher prices for their hogs without receiving a relatively higher price

(Continued on page 29)

Mechanical Bakers Now Perform the Work That Mother Used to Do

Often, long before the family are awake, the "baker" deposits his wares in a neat, sanitary cover on the doorstep. Day in and day out, in cold weather and in hot weather, he performs this service, which is taken for granted by the public with seldom a thought as to how it was brought about. No longer do housewives stay up half the night preparing the dough and the next day stand for hours beside a hot stove while the bread is baking. Yet it was only a few years ago that the majority of housewives did their own baking.

At first, "baker's bread" was considered as something that should be eaten when "mother's" bread was unobtainable. This prejudice existed for a long time; to-day it is safe to say that many of the rising generation do not know the taste of the home-made product.



In a Modern Bakery

What has brought about this situation in the attitude towards bread making on a commercial scale? There are many reasons. Probably the most important is the vast improvement that has taken place in the sanitary methods used in the modern bakery. From the time the flour is received at the plant until it is placed in the consumers' hands in the form of bread, everything is done automatically. During the different stages of manufacture until wrapped and sealed in waxed paper, no human hand touches the bread. Elaborate precautions are taken at all times to see that the quality of bread is kept up to a high standard. Fresh supplies are made every day.

Another point of importance is mass production. Instead of baking half a dozen or a dozen loaves as the average housewife would, the modern bakery has installed huge bake ovens capable of producing several thousand loaves of bread an hour. Material waste is reduced to a minimum. Overhead expenses are low. Consequently the bread can be offered to the consumer at a price considerably lower than were it produced in the home.

Canada Meeting Needs of the World for Food

Primarily Producer of Raw Materials But Has Branched Out Into Many Prepared Food Lines

THE production and distribution of food products is becoming one of Canada's most important branches of industry. Export trade as a whole has increased tremendously during the past five years and food products are amongst the most important items in the increase. For the fiscal year ending March 31, 1926, our total trade amounted to $1,315,192,791, which was an increase of more than $250,000,000 over 1925, and the advance was due almost entirely to food products. Wheat, flour and refined sugar were prominent. The value of agricultural and vegetable exports from Canada has increased by more than 300 per cent. since 1914, while the value of animal products exported has increased nearly 250 per cent. in the same period. Canada is primarily a producer of raw materials, but the manufacture of these into food and other products is becoming more important year by year.

In Canada's total export trade, 17 commodities account for more than 90 per cent. of the total, and the leading products in this group are food products. Wheat and flour lead with a value of $364,000,000; meats are next; then cheese, oats, barley, sugar, etc. Potatoes are also in the first seventeen. Nine of the seventeen leading export articles comprise food products and their value is more than 80 per cent. of our total export business. The food products showing the greatest percentage of increase are wheat, refined sugar, cheese, oats, meats, potatoes, barley and in the order named.

What Food Products are Exported

During 1926 we exported approximately $65,000,000 worth of wheat flour. Cheese came second, to the value of $33,000,000 which was almost equal to the total production of gold in Canada. Bacon and ham exports stand next in value, totalling more than $28,000,000 last year. The export of refined sugar has increased tremendously in recent years and is now almost $19,000,000. Canned salmon exports, chiefly from British Columbia, amount to over $10,000,000, while butter is valued at over $8,000,000. Other food products listed are dried codfish, canned lobsters, condensed milk, oatmeal, rolled oats and cereal food. Nearly 20 of the 37 principal commodities exported are food products. During 1924 the exports of condensed milk amounted to only a little more than $650,000. In 1926 these exports had grown to the amazing total of nearly $5,000,000, which is an increase of 728 per cent. This increase, though large, was exceeded by one other dairy product, namely, butter. The export of butter increased 2,839 per cent. since 1914. Oatmeal exports increased over 470 per cent. The increase of exports of meat, not including poultry, amounted to 630 per cent., and in value exceeded the exports of automobiles.

Canadian Products Lead

In the case of several of these food products Canada has establsihed a standard above that of every other country in the world. The result is that when Canadian food once becomes established abroad, an increasingly important volume of business is built up gradually. In many sections of the world there is a certain shortage of food at the present time. Europe is not in a self-sustaining position yet. and it is probable that for many years large volumes of Canadian food will be needed. Then again, Britain will continue to remain the largest buyer of our food products, both in raw material and in the finished state. United States, moreover, is quickly reaching the point where the volume of production will not meet the needs of the country. It is probable that with the population of the United States at 125,000,000 the consumption requirements will be approximately equivalent to the productive capacity. In such an event a tremendous market will be thrown open more widely than ever for Canadian food products.

Market Record of Food Stocks

	Div. Rate	Yield Oct. 11	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Range 1926 High	Range 1926 Low	Oct. 11 (or last)
Arnold Bros., com.	..	..	..	..	..	..	26⅝	18	19
Do. pref.	7	8.04	..	..	..	..	92	86½	87⅛
Atlantic Sugar, com.	..	..	21¾	11	37½	13	32⅛	21½	23½
Do. pref.	..	..	51	32½	88½	40	88	75	78
B. C. Fishing	5	7.14	25	8	64⅝	19	78	57¼	70
Canada Bread, com.	$2.50	2.79	105	63	64	39¾	95	53	90
Do. pref. (A)	7	6.39	104	95	108	100	112	105	109½
Do. pref. (B)	7	6.63	..	..	7	85¾	107	96¼	105½
Can. Bakeries, com.	..	..	..	..	40	31	37¾	26½	34½
Do. pref.	7	7.36	..	..	96¼	93	96¼	92	95
Can. Canners, com.	..	..	..	..	15	11½	15	12	12¼
Do. pref.	4	6.15	..	..	69⅝	53¾	70	60	65
Can. Salt	8	6.40	120	108½	154½	112	145	124	125
Christie Bis., com.	..	..	..	..	65	31¼	63½	35	35
City Dairy, com.	12	3.84	x66	x43	90½	65	82½	65½	78
Do. pref.	7	6.36	110	104	110	104½	112	107	110
Cuban Can. Sugar, com.	..	..	13	6	10	3½	5	3	3
Do. pref.	..	..	50	33	44½	25	28	21	26
Dom. Stores, com.	$2.40	4.00	36	24½	72¾	28½	68	56	60
Do. pref.	8	6.89	100	81	109	97½	116	106	116
Davies, Wm. (A)	..	..	27¼	11¾	37¾	24	37¼	27½	30
Inter. Milling, pref.	7	6.93	100	93	103½	69¾	105¼	98½	101
Lake of Woods, com.	12	8.00	188	167	193	169	175	139	150
Do. pref.	7	6.08	121	115½	125½	115	118	115	115¼
Loblaw, com.	$1.00	2.15	..	..	..	..	55	29¾	46½
Do. pref.	7	6.68	..	..	..	..	104¾	100½	104¾
Maple Leaf Mill. com.	..	..	90	59	100	80	88	50⅛	70
Do. pref.	7	7.21	100¼	87	105	96	102	90	97
Nat. Breweries, com.	4	5.92	63⅝	48½	68	42	72	56	67½
Do. pref.	7	6.73	106	95	110	98	110	104	104
Ogilvie Flour, com.	5+5	2.59	380	304	180½	135	200	165½	190
Do. pref.	7	5.93	122	116	127	120	125	117	118
Pure Gold Mfg.	50c	..	..	..	27	21½	28½	17½	19
Shredded Wheat	75c	5.71	140	135	171½	148	†54	47½	52½
St. Law. Flour, com.	..	..	75	65	65	27	45	26	30
Do. pref.	7	8.33	95	90	84	78½	84	80	84
Viau Biscuits, com.	..	..	..	..	..	..	28	18	26½
Do. pref.	7	8.04	..	..	..	..	89	85	87
West Can. Flour, com.	$1.40	..	..	..	..	..	24	18	24¼
Do. pref.	6½	6.51	..	..	..	..	99¾	97⅝	99¾
Western Grocers, com. old	..	..	6	2	14½	4½	13¼	4	5
Do. pref. old	..	..	..	..	64	38	64	49	53
Do. com. new	..	..	..	..	..	..	30	24	28⅛
Do. pref. new	7	9.33	..	..	..	..	80	62	75

xStock split into four shares. †Stock changed to no par value.

CANNERS SERVE BOTH PRODUCERS AND CONSUMERS

Factor in Adjusting Spread Between Supply and Demand

CUTTING THE COST

Big Scale Operations Have the Effect of Higher Prices to Grower and Lower Prices to the Public

ALTHOUGH of comparatively recent origin, the canning of foods has come to have a recognized position in levelling the spread between supply and demand in those foods usually considered of a perishable nature. The development of the canned foods trade has affected great changes not only in the relation of foods to seasons, but in providing the producer with an enormously extended market, and the consumer in both city and country with cheap and wholesome food in extended variety. Fruits and vegetables are to be had at all times of the year, still retaining much of the original freshness as when picked. Fish, meats and condensed and evaporated milk are three other products which occupy important positions in the canned foods trade.

While the methods of canning foods was known as far back as 1840, it was not introduced in Canada until about 1870. Since then great strides have been made, and in 1924, the latest year for which complete statistics are available, over $40,000,000 was invested in this industry, while the value of production amounted to $49,215,491. The number of establishments in operation that year was 773, in which over 17,000 people were employed and to whom approximately $6,500,000 was paid in salaries and wages.

Foreign Trade Improves

The situation with regard to foreign trade in the fiscal year 1926 was fairly satisfactory, with the United Kingdom again in the lead as the best customer for Canadian canned goods. Our exports to that country amounted to $8,833,062, as compared with $9,222,491 in the preceding year. Despite the lowering of shipments to the United Kingdom, the demand from other countries more than made up for this loss of trade with that market, the total for 1926, amounting to $20,809,148, being greater than in the two previous years when exports totaled $20,431,633, and $19,964,184 respectively. The general increase is largely owing to the greater volume of exports of fish, particularly canned salmon.

Imports also show a slight increase in value during the fiscal year 1926, having amounted to $3,581,777, as compared with $3,538,694 in the previous year. During the past year imports of canned fish, vegetables and milk were lower in value, while fruits, meats and soups recorded increases.

From the foregoing it will be seen that the canning industry, while a minor one in point of value of output, nevertheless plays no small part in contributing to Canada's favorable balance of trade. In 1924 the favorable difference between exports and imports was $16,205,877. The following year it increased to $16,892,939, while for the fiscal year 1926, the favorable balance amounted to $17,227,371. In addition, the canneries are of great importance as an adjunct to several other industries, notably the tin can industry which supplies millions of cans annually, to the lumber industry for packing cases and to the paper and printing industries by using a label on each of the millions of cans representing the total annual output.

For the sake of convenience in gathering together data, the canning industry has been divided into three categories, namely, fish, fruits and vegetables (including meats and soups), condensed and evaporated milk. An analysis of the last survey of the industry shows that the number of fish canning plants throughout the Dominion totals 588, in which the capital investment was $12,017,805 and the value of products $16,277,993. The principal varieties of fish used in Canadian canneries are, in order of their importance: salmon, lobsters, sardines, pilchards, haddock, and herring. Of these salmon is undoubtedly the most important.

Salmon Pack Better

While salmon are caught in New Brunswick and along the Gaspe coast in the province of Quebec, they are marketed in a fresh state, and the canning of this fish is practically confined to British Columbia. Such sources of supplies as the Skeena, Fraser and other rivers are world-widely known and along the banks of these rivers have sprung up large canneries, involving the investment of millions of dollars and the employment of thousands of people. From a modest start of 9,847 cases packed in 1876, the industry has made tremendous strides and its operations are followed with close attention, as the pack of the British Columbia plants plays an important part in reg-

(Continued on page 32)

Modern Warehouse's Part in National Distribution

Huge Plants Centrally Located Across Canada Offer Unusual Distributing Facilities—Invaluable in Storing Perishable Goods

IN ALL the larger Canadian cities public warehouses are being used for national distribution. The manufacturer may have a chain or system of warehouses as mediums for distributing his products to the entire country. The warehouse of to-day has made it possible for the manufacturer to serve his trade in an manner upon short notice by drawan efficient manner upon short notice by drawing upon spot stock centrally located.

There are different kinds of warehouses:

1. Merchandise.
2. Household goods and furniture.
3. Bonded warehouses—for imports on which duty has not yet been paid.
4. Cold storage, principally for perishable goods.
5. Field warehouses.

In a study of warehousing and distribution we are primarily interested in what is called the merchandise warehouse. This kind of warehouse is used for the storage of goods by the manufacturer or shipper until the retailer or distributor needs them in order to supply the wants of the consumer. It is seldom that goods are placed or held in storage in anticipation of rising commodity prices; the storage warehouse for general merchandise is a service link between the producer and consumer and may be likened to a bank or clearing house through which money in the form of goods circulates or is deposited for safekeeping, and held at the demand or draft of the depositor.

Since the war the service which the public warehouse renders has been materially changed; so much so that the warehouseman to-day is really a distributor of merchandise, shipping it to jobbers and retailers in l.c.l. deliveries, rather than caring for the storage of large quantities of goods remaining in storage for two months or more. Before the war it was customary for warehousemen to receive large consignments of 50 or more carloads of one commodity to be stored, from which deliveries throughout the remainder of the year would be made either by the owner or his broker. Since these consignments usually consisted of a very few varieties or assortments, use of storage facilities was possible at a minimum cost because of the space and handling necessary and because of lessened overhead expense.

To-day, it is more frequently the case that only one carload of a single product is received by the warehouseman from each of a number of different shippers, representing as many different commodities as there are cars, and in a number of cases many assortments in a single car. Instead of these car lots of goods being stored, frequently a portion of the load is wanted for delivery upon arrival and is ordered to be forwarded by the warehouseman to points in the city in which the warehouse is located; the remainder is placed in storage as spot stock, against which the owner or broker will draw to meet the demands of his customers.

Manufacturers find it better economy to purchase storage in a public warehouse when required, than to spend their own money on large buildings which, because of seasonable requirements, are empty half the time, but on which interest, taxes, and maintenance have to be paid all the time. The Public Warehouse is flexible and can serve in a direct proportion to the sales of merchandise. Public storage can be increased or terminated at will; the amount of space being used is in exact proportion to the user's needs. Through terminal warehousing the producer seeking broad distribution is enabled to enlarge the circle of his trade with the assurance that the agency expense will be in the proper ratio to the volume of his business. Merchandise is sold on a unit basis and terminal warehouse charges are on the same basis.

It is to the advantage of the jobber or retailer to keep his stock as low as practicable because of the resultant rapid capital turnover. Since the retailers and jobbers do not carry large stocks of goods, purchasing merchandise more frequently and then buying only small quantities of any product, it has become necessary for the manufacturer to maintain sufficient stock of his merchandise at a central point for distribution in order to supply the needs of his trade.

What the Warehouse Does

In this process of distributing from producer to consumer the merchandise warehouse of to-day renders a service that has many advantages, and all of them tend to lessen the spread between producer's and consumer's prices by lessening the waste in time, in transportation costs, and in merchandise.

1. The merchandise warehouse receives goods in carloads and distributes them in smaller quantities to jobbers or retailers, or reships in l.c.l. amount to near-by centers.

2. It enables the manufacturers to keep spot stocks for their customers, and this quick service from goods available on demand increases sales.

3. It equalizes production by steadily absorbing the manufacturers' output while eliminating heavy investment in reserve storage space.

4. It issues negotiable and non-negotiable receipts and, if desired, allows credit to be obtained on merchandise stored.

5. It provides insurance and keeps fire risk at a minimum through separation of stocks stored and through maintenance of sprinkler systems.

6. It reduces freight charges. Car lots are carried at a lower rate per hundred pounds than l.c.l. shipments, and the warehouse provides a centre for breaking these carload shipments which is much nearer to the points of final distribution. Often the storage service can be paid for by the transportation charges saved.

7. It saves time in transit, for car lots travel in through trains by direct routes.

8. It reduces loss and damage claims, because of resultant minimum handling in car-lot shipments.

9. It provides re-coopering, marking, and separation of varieties, and offers clerical services such as invoicing when reshipment occurs.

10. It eliminates the necessity of providing large storage space at the point of origin, especially for seasonal commodities on which provisional space would be idle investment during the greater part of the year.

In choosing a warehouse the manufacturer should always ascertain the facilities offered and secure storage where the best service is possible at minimum charge.

Invoice Accompanies Delivery

Up-to-date warehouses are to-day offering invoice service along with their many other service facilities, a copy being sent with the goods to the jobber and a copy sent immediately to the sales office of the company owning the goods. Reliable jobbers who have the privilege of sending orders direct to the warehouse are listed with the storage company. By such a method the manufacturer has daily knowledge of the quantity of goods on hand to supply consumption demands, and where the commodity is not of seasonal character, has a basis for judging the amount of goods he must ship to his warehouse in order to keep a sufficient stock on hand.

Such services as classifying, packing, marking, and cooperage, as given by the warehouse of to-day, are well known to manufacturers and shippers and are important items in warehouse service. A carload of goods may contain several allotments, qualities or sizes of a given commodity. Order for redistribution in l.c.l. quantities may pick from one or more of the various classifications of the commodities. Warehouses will care for the necessary marking for redistribution and repacking goods when requested, and at all times attend to any cooperage that has to be done. All of these services are furnished at a minimum charge.

Storage of Commodities

There are numerous commodities manufactured in our country which are required in commercial trade during certain months of the year. Demands for some of these products occur during the winter or spring months and for others during the summer or fall. If the manufacturer desires to produce his goods at the lowest possible unit cost it is necessary for him to maintain an average monthly output of a definite quantity. If one should attempt to produce the goods when the demand calls for a large quantity, the necessary manufacturing equipment space and labor turnover would be out of proportion to the marginal profit.

In order to supply the wants of the consumer, the manufacturer must meet competition effectively, supply the trade according to its seasonal needs, and have available produce for distribution in an efficient manner upon short notice.

Minimum and Maximum Demand

The manufacturer of such seasonal commodities must, therefore, have storage space where he can place his goods during the season of minimum demand; furthermore, facilities must be large enough to absorb his production, must be located where efficient transportation service is available, and must be arranged so that no time will be lost in locating and sorting products for distribution when an order is received. The cost of storing and handling goods at the point of origin is frequently too great to permit the manufacturer to carry the enormous overhead involved in building a storage warehouse at the plant.

Warehouse a Service Link

A central distributing warehouse as a service link between the producer and consumer solves this problem for the manufacturer of seasonal commodities. A manufacturer located at Toronto may ship his goods to Winnipeg (and other central distributing warehouse districts), receive the benefit of the car-lot rate, may store them, and have them on hand for immediate delivery when orders are received.

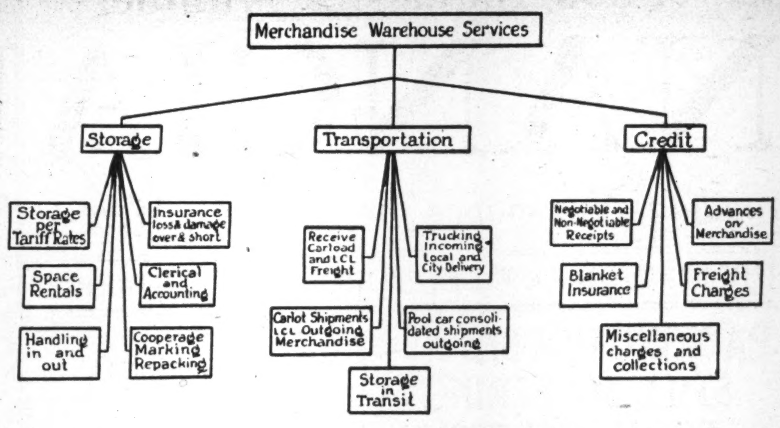
It is not necessary that orders come from the retailer or jobber to the manufacturing plant in Toronto. The shipper may avail himself of the service offered by the warehouse of having the orders sent direct to the warehouse, which may be termed the central distributing agency for that district.

If a manufacturer of seasonal commodities were to supply the necessary storage facilities at the point of origin of the goods, the amount of investment would be increased by the necessity of providing proper equipment to allow low insurance rates. This is a factor worthy of consideration, by any manufacturer of seasonal goods, and is more important if a substantial portion of the value of the goods is to be advanced as loans by the banks.

Credit Facilities

The manufacturer need not be embarrassed by having a large amount of capital tied up while his goods are awaiting consumption demand. After the goods are warehoused and a negotiable receipt is issued, arrangements can be made either through banks in the warehouse district or at point of origin, and credit obtained upon surrender of the properly indorsed credit instrument—a negotiable warehouse receipt. Thus not only does the manufacturer succeed in availing himself of the advantages offered by carload shipments of his goods and obviate the necessity of heavy capital investment for storage facilities which would be used only a part of the year, but his production is so cared for that it can be evenly distributed throughout the year, resulting in a minimum production cost and at the same time insuring efficient and ready delivery when demand for his product occurs.

A warehouse, therefore, not only offers distributing service to the manufacturer of staple commodities in general demand throughout the year, but offers services especially desirable to the manufacturer of seasonal products.



Meat Packing Industry Shows Greater Output During Year

Production Increases 22 Per Cent. in Value — Millions Added to Favorable Balance of Trade

While the number of slaughtering and meat packing plants throughout Canada remained unchanged during 1925, operations were on a more active scale than during the preceding year, resulting in an increase in the value of production from $133,740,271 in 1924 to $163,816,810 last year, an improvement of $30,076,538, or 22 per cent. The following table shows the betterment registered since 1920:

1920	$240,544,618
1921	153,136,289
1922	143,414,693
1923	138,218,909
1924	133,740,271
1925	163,816,810

The value of output for last year is thus shown to be the largest since 1920, while the quantity of the product as a whole, based on the dressed weight of the animals slaughtered, exceeds that of 1920 and of each of the following four years.

Ontario with 24 plants in operation, led all other provinces in value of output last year with a total of $94,427,211. Quebec was next on the list, with an output of $23,385,450, representing the production of 20 plants. Manitoba's 7 plants had an output valued at $18,860,389, followed by Alberta and Saskatchewan with $17,135,586 from 8 plants; British Columbia, $8,786,310 from 5 plants; and the Maritimes, $1,221,864 from 10 plants.

The capital investment of the industry in 1925 was $2,359,075 less than in 1924, having amounted to $54,316,043. The following items went to make up the total capital in force last year: land, buildings and machinery—$25,893,836; materials and supplies on hand, as well as stocks in process, etc., $15,716,208; cash and operating accounts, $12,705,999. The decrease is shared by all of the items under the head of capital.

The most important product produced last year, in point of value, was fresh meats, which accounted for a value of $64,353,759, as compared with $56,610,297 in the previous year. Cured meats had a value of $55,174,038, as against $38,126,440 in 1924. Other important products were: Sausages, $5,583,151, compared with $4,314,258 in 1924; cooked meats of various kinds, $5,036,800, compared with $5,120,595; lard, $8,874,183, compared with $9,321,000; lard compound and other shortening, $5,994,230, compared with $4,916,654; and hides and skins, $5,828,355, compared with $4,642,658.

Of the meats sold fresh, veal, beef, mutton and lamb show increases in quantity as compared with the preceding year, while pork shows a decrease. The quantity of salted pork was greater than in the previous year by nearly 13,000,000 lbs.; hams by 7,000,000 lbs.; and bacon and sides by 4,000,000 lbs.

Allied with the slaughtering and meat packing industry, are a number of small, but nevertheless important subsidiaries devoted to the manufacture or utilization of by-products. These products, which include oils, grease, fertilizers, glues, etc., help to swell the total value of production. Oils, aside from oleo, had an output last year valued at $1,248,327; calf skins, $448,540; wool, $408,464; and hair, $48,980. In most instances these products show an increased value as compared with the figures for 1924.

Some idea of the enormous supplies needed in this industry for the manufacture of its various products during 1925, may be gained from the fact that the total number of animals slaughtered was 4,561,877. Of this number beeves comprised 664,864, sheep and lambs 529,028, hogs 3,033,466, and calves 334,519. As compared with supplies used during the preceding year there was an increase of 74,236 in the number of beeves and 28,597 of calves, while hogs show a decrease of 101,497 and sheep and lambs a decrease of 24,887. The cost value of the animals was $108,613,003, an increase over the preceding year of $23,060,637. In addition there was other materials used which brought the total expenditure in this connection up to $132,329,355, compared with $106,764,011 in 1924.

Despite the fact that production of the slaughtering and meat packing industry in Canada is greater than the apparent consumption, last year imports amounted in value to $18,010,989, an increase of $2,181,720 over the preceding year. Approximately 13 per cent. of the value of the imports, or $2,452,552, was made up of pork and pork products. Hides and skins, however, were the most important products imported last year, amounting in value to nearly $2,000,000. An interesting item on the list was the importation of $1,256,779 worth of soups of all kinds.

The contribution of this industry to Canada's favorable balance of trade for last year amounted to $32,046,937, which sum represented the difference between imports and exports of $50,057,926. This is a substantial improvement over the previous year when exports totalled $36,019,102 and imports $15,829,269, leaving a favorable balance of $20,190,824. Meats was by far the largest product of export by this industry last year. Bacon and hams, including shoulders and sides, accounted for nearly two-thirds of the total value of exports. The following table gives a few of the more important items of exports of this industry last year, together with comparative figures for 1924:

	1924	1925
Beef	$ 2,067,166	$ 3,000,567
Mutton and lamb	184,423	624,010
Bacon and hams	19,991,636	29,055,490
Pork, dry salted	714,629	1,040,998
Cattle hides and skins, n. o. p.	4,236,624	5,382,942
Hair	313,647	534,001
Sausage casings	794,036	1,464,263
Poultry	299,207	667,983

Only three items, lard, tallow and calf hides and skins, report lower value of exports last year, as compared with 1924. The decrease in shipments of lard was the most important, having dropped from $1,682,639 to $1,221,581 last year.

The tendency in the packing industry during the past decade has been to get away from the small plant, catering to the needs of community within a radius of two or three hundred miles, to the large organization with ramifications in all parts of the Dominion and their own selling agencies in the more important overseas markets. Of the 74 plants in operation throughout the Dominion last year, records show that only 17 had an annual production value or less than $100,000; 16 had an output of from $100,000 to $500,000; 9 up to $1,000,000; 12 between $1,000,000 and $2,000,000; and 20 of $2,000,000 and over.

Larger Volume of Cheese Being Consumed at Home

Canadian cheese is making a place for itself in the foreign markets of the world, and home consumption is increasing year by year as well. This is due to two factors; the Canadian product is becoming better, and the Canadian public are realizing, with the help of advertising, that this Canadian product as well as many others are just as good, and frequently superior, to products obtained abroad. Following is an analysis of the cheese industry, showing the increase in Canadian consumption:

	Unit	1922	1923	1924	1925
On hand, Jan. 1	lbs.	15,540,495	5,178,881	14,356,254	14,569,236
Production—Factory	lbs.	135,821,116	151,624,376	149,707,530	*178,350,346
Home-made	lbs.	500,000	500,000	500,000	500,000
Imports	lbs.	686,754	1,899,522	908,920	10,274,338
	lbs.	152,548,365	159,202,779	165,472,704	203,693,920
Exports	lbs.	120,177,200	116,201,900	121,465,600	150,742,900
	lbs.	32,371,165	43,000,879	44,007,104	52,951,020
On hand, Dec. 31	lbs.	5,178,881	14,356,254	14,569,236	22,410,962
Total consumption	lbs.	27,192,284	28,644,625	29,437,868	30,540,058
Population	No.	8,940,150	9,082,840	9,226,740	9,364,200
Consumption per capita	lbs.	3.04	3.15	3.19	3.26

*Preliminary figures.

McAuley, a Westerner, Who Has Moved East

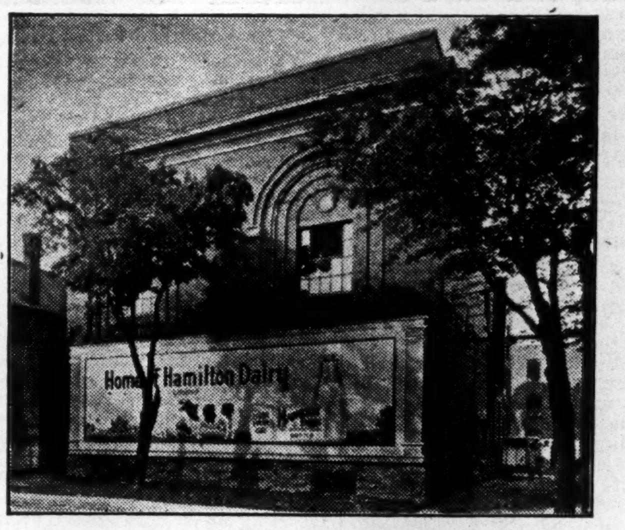
T. A. McAuley, who has just completed the purchase of the National Milk Products Co., Ltd., spent nearly fifteen years in Alberta, during which time he was one of the originators of Canadian Western Natural Gas, Light, Heat and Power Co., Ltd. Mr. McAuley was also a director and chairman of the executive committee of the board until he moved to Toronto about a year ago. In 1922 and 1923 he developed the Viking gas field, east of Edmonton, and organized the Northwestern Utilities Limited, and financed the entire project, costing over $5,000,000. In carrying out this project alone, over 500 cars of steel pipe were purchased from Canadian, British and United States companies.

Mr. McAuley saw the possibilities for the development in food products lines in the east, and developed Arnold Bros., Ltd., with an issued capital of $500,000 preferred and 50,000 common, which now operates a chain of grocery and provision stores. The second was Eastern Canada Stores, Ltd., which has a chain of stores in Montreal, while his latest enterprise is National Milk Products Co., Ltd., Gananoque, Ont.

THE LARGEST DAIRY IN WESTERN ONTARIO—HAMILTON DAIRIES, LIMITED

HAMILTON DAIRIES, LIMITED, is the result of a recent consolidation of six thoroughly modern milk, butter and ice cream plants located in Hamilton and immediate vicinity. The amalgamation had its inception as a result of a careful analysis made earlier in the year following the discussion of milk prices, which showed clearly the price of the product was largely due to the heavy overhead caused through overlapping. As an instance it was ascertained that the cost of delivery alone was more than the actual price of the milk paid by the dairy.

Hamilton Dairies, Limited, will engage in the gathering and distribution of milk and the manufacture of ice cream, butter and other dairy products. It is confidently anticipated that the consolidation of the several businesses will result in substantial economies in operation. Customers now being supplied with milk by the individual companies are largely resident in Hamilton, while the butter and ice cream business extend throughout the Province of Ontario with butter shipments being regularly made to points in the British Isles.



Modern butter and milk plant of the Hamilton Dairy, Limited, now a unit in the Hamilton Dairies, Limited.

THE AMALGAMATING COMPANIES

Hamilton Dairy, Limited.

The Wentworth Dairy Co., Limited.

The Cloverdale Creamery, Limited.

Bonnie Bank Dairy.

Hamilton Ice Cream, Limited.

Caledonia Dairy, Limited.

HAMILTON DAIRIES, LIMITED

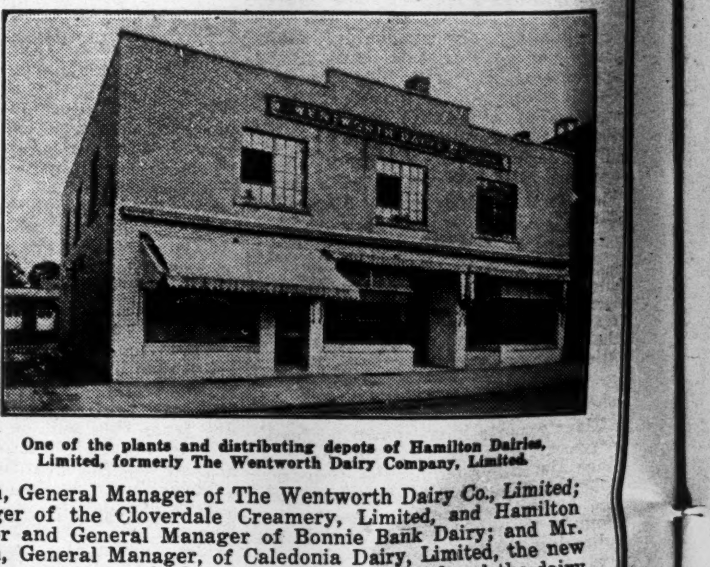
Will serve over 14,000 homes daily.

Will operate between 90 and 100 milk wagons and innumerable trucks.

The daily output of milk will exceed 20,000 quarts.

The daily output of butter should exceed 10,000 pounds.

In addition the company will manufacture ice cream, cheese, butter milk and other dairy products and arrangements will be made to supply the entire dairy requirements of Hamilton with dairy products of the best grade possible.

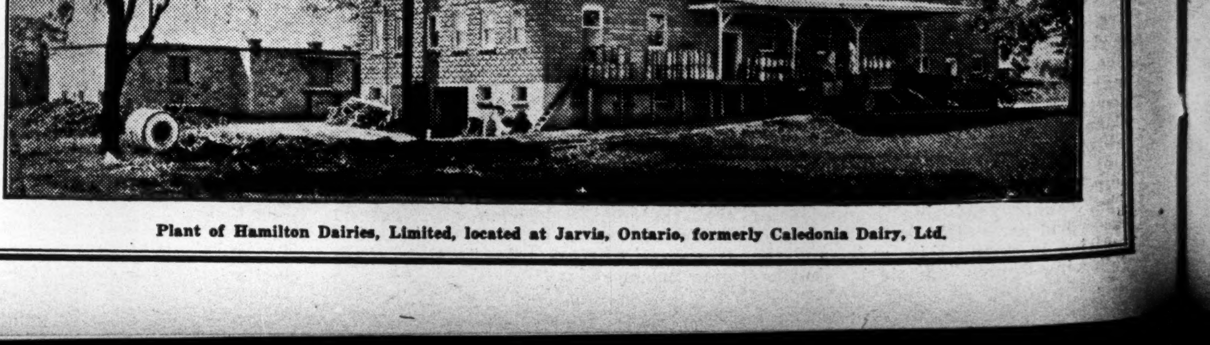


One of the plants and distributing depots of Hamilton Dairies, Limited, formerly The Wentworth Dairy Company, Limited.

MEN BEHIND THIS CONSOLIDATION RESPONSIBLE

With Mr. D. C. Flatt to be elected President and Mr. John I. Flatt as General Manager and with the continued co-operation of the heads of the various amalgamating companies: Mr. Geo. H. Bethune, President, and Mr. T. G. Brown, General Manager of The Wentworth Dairy Co., Limited; Mr. M. D. Warner, President and General Manager of the Cloverdale Creamery, Limited, and Hamilton Ice Cream, Limited; Mr. C. H. Smith, Proprietor and General Manager of Bonnie Bank Dairy; and Mr. D. Z. Gibson, President, and Mr. C. Christensen, General Manager, of Caledonia Dairy, Limited, the new Company will be in the experienced hands of the same men who have so successfully developed the dairy business in Hamilton.

Denman & Co., Limited, Investment Bankers, Hamilton, are acting for those responsible for the new organization and all information can be secured from them.



Plant of Hamilton Dairies, Limited, located at Jarvis, Ontario, formerly Caledonia Dairy, Ltd.

Milling Horizon Brightened by Export Trade Prospects

British Trade is Permanent if Proper Policy Followed — Orient Huge Potential Consumer

By C. H. BROOKS.

CANADA is to-day easily the world's largest exporter of wheat. Out of a crop of 400,000,000 bushels she uses only 40,000,000 herself, and exports the remaining 360,000,000—60,000,000 as flour and the balance, 300,000,000, as wheat. Alongside this vast grain growing business has grown up a great milling industry in Canada. There are in Canada some 600 mills, as distinct from some 800 grist mills.

It takes 4½ bushels of wheat—to be exact, 4 2-5, to make a barrel of flour. This Canadian industry takes roughly 100,000,000 bushels, or 25 per cent. of the wheat crop, and makes it into 22,000,000 barrels of flour. The home market uses 9,000,000, the export market 13,000,000 barrels. The export trade is divided among forty to fifty of the larger mills. When trade is poor they naturally press more heavily on the home market and the smaller mills suffer. In years gone by the principal competitor of the Canadian mill in export markets used to be the American miller, grinding for the most part a softer wheat and producing a weaker type of flour; and the centre of the American milling trade was Minneapolis. But things are changing. Owing to the colossal increases in the population of the United States in the past forty years consumption there is gradually overtaking the supply.

One of the brightest spots in Canada's milling industrial outlook is the steady increase in the imports of flour into the Orient, and the expectation that it will not be many years before the United States consumes its entire wheat crop, and thus that country will cease to be a competitor in the world's flour markets.

Too Much Wheat Exported

Too much wheat leaves Canada every year going to other countries to be there mixed and ground. It should be ground in Canada to result in more work for Canadians, more transportation for our railways and more by-products for our farmers. A good deal of this exported wheat goes to the United States where it is milled-in-bond. American millers secure this wheat without being called upon to pay much to the U. S. Treasury, except on mill feeds which remain in that country for domestic consumption. The flour is shipped abroad where it competes directly with the 100 per cent. Canadian article, and naturally enjoys the advantages to which American ground flour may be entitled by virtue of trade treaties passed by the United States with foreign countries. To show to what extent this is carried on one has only to examine the figures. Between July 1st, 1925, and June 12, this year, United States imported 14,453,000 bushels of Canadian wheat for milling-in-bond. Out of Canadian wheat this year the United States will have produced 3,212,000 bushels of flour for export. The total flour export of the United States in the above mentioned period has been 8,951,000 barrels, so that Canadian wheat milled-in-bond has constituted 36 per cent. of the total United States flour export.

During the present crop year, for the first time in history of the two countries, the export of flour from Canada will exceed that from the United States. For the first ten months of the crop year, August-May, Canadian flour exports exceeded those of the United States by over 800,000 barrels. In United States total is included some 3,000,000 barrels milled-in-bond from Canadian wheat. If the United States mills had not access to Canadian wheat without payment of duty, their exports must have been correspondingly reduced. To ameliorate this condition it has been proposed to the Government at Ottawa to impose a dutv on wheat shipped to United States for milling-in-bond.

Greatest Exports to Britain

The United Kingdom is overwhelmingly the greatest importer of Canadian flour, followed by Germany, China, British West Indies, Norway, Newfoundland, Jamaica, Trinidad and Tobago, Venezuela and Japan. Flour from Canada is going at the present time to a total of some fifty countries, or practically embraces the entire scope of Canadian export trade.

The markets which hold the greatest promise of expansion are Great Britain, certain European countries and the Orient. Prior to 1914 Britain drew most her requirements in this respect from the continent, but the inability of continental countries to meet the ever-increasing requirements, and especially the fact that Russia dropped out of the running, have caused Britain to buy elsewhere. There is every evidence that the United Kingdom is quite satisfied with the Canadian product and that Canada can so establish herself as to hold the market if a proper policy be pursued.

With Russia and the Balkan wheat growing area at the present time incapable of supplying the demands of flour-importing countries of Europe, buyers there have naturally turned to the other large exporting countries of the world, and since Canada has a well established grain trade catering to Europe's need through the United Kingdom, it is natural for these countries to avail themselves of the facilities already existing, especially in the widespread reputation of Canadian wheat. It is for this reason that many countries of Central and Southern Europe buy large quantities of Canadian flour. Even Russia in 1925 was a very heavy importer of the Canadian product. As far as can be seen ahead Europe should continue on the same large scale to import the Canadian wheat manufacture.

Whilst the development of the flour market in Europe in conjunction with that of grain is very significant in its effect on Pacific Coast business, a very influential factor to be considered is the future development of the traffic in this commodity to the countries of the Orient. The Orient is gradually turning to a greater consumption of wheat products, and China is not as yet a wheat producing country. In the year 1910 an average pre war year, China took 4,551 barrels of Canadian flour worth $19,643, and Japan 13,985, worth $58,136. Compare these figures with those of the last three fiscal years.

Total Canadian flour exports for fiscal years ending March 31:

	1923	1924	1925
Total—			
Barrels	10,227,060	11,714,929	11,029,227
	$60,075,426	$62,783,118	$70,638,692

Canadian flour exports for fiscal years ending March 31:

	1924	1925	1926
To United Kingdom—			
Barrels	4,234,084	3,274,976	2,791,646
	$22,188,665	$20,123,850	$18,920,338
To Germany—			
Barrels	1,986,826	2,072,275	1,538,516
	$10,313,280	$12,748,162	$10,282,225
British W. I.—			
Barrels	132,629	143,488	145,624
	$ 853,359	$ 1,030,019	$ 1,095,638
To Norway—			
Barrels	456,495	185,731	435,631
	$ 2,226,483	$ 978,094	$ 3,082,034
To Russia—			
Barrels	4,180	1,452,809	370,427
	$ 18,583	$11,147,688	$ 2,756,745
To Newfoundland—			
Barrels	374,542	337,000	334,489
	$ 2,412,063	$ 2,408,665	$ 2,665,126
To Jamaica—			
Barrels	211,154	188,067	228,603
	$ 1,271,550	$ 1,260,578	$ 1,631,163
To Trinidad and Tobago—			
Barrels	272,083	250,894	251,626
	$ 1,680,046	$ 1,704,473	$ 1,822,054
To Japan—			
Barrels	111,985	19,299	104,669
	$ 686,729	$ 104,137	$ 657,423
To China—			
Barrels	504,923	345,706	1,087,024
	$ 2,491,066	$ 1,743,830	$ 6,878,938

Japan can never become a great wheat producing country but like Britain must remain an importer. Her population is increasing rapidly. She is turning to a greater extent towards the consumption of wheat products, and here shows in no uncertain manner her distinct preference for the Canadian hard variety.

FISH REDUCTION BIG INDUSTRY ON COAST

Seventeen Plants Have Sprung Up and Others Are in Course of Construction

The establishment of fisheries reduction plants has become a very important industry on the Pacific Coast. Since the ban has been lifted on pilchards, 17 plants have sprung up, and others are expected to commence operations in the near future. It is anticipated that plants will shortly commence shipments of oil, fish, meal and fertilizer. A leading feature of the new industry is that it will help to develop the foreign trade of British Columbia. It is understood that pilchard oils will be shipped to the Orient and to the United Kingdom, and later to other foreign countries. An idea of the importance of the industry to Vancouver Island is the fact that 4,500,000 gallons of fish oil valued at $1,600,000 and 12,000 tons fertilizer valued at $340,000 is the estimate of this year's output of the pilchard fishing on the west coast of Vancouver Island. This oil has meant much to the shipping business of Victoria. During the past winter large sums have been spent in the building of fishing boats and other large items for equipment. The fish reduction industry has already meant the expenditure of $400,000 in Victoria alone.

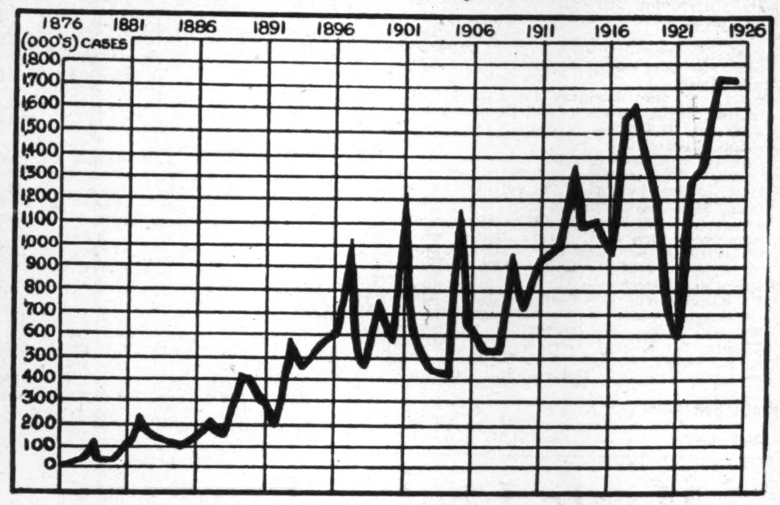
Last year's output of fish oil amounted to 495,653 gallons, and only 10,000 tons of fish, meal and fertilizer were produced. The estimated yield of the latter was 12,000 tons. The fish reduction plant machinery that has been installed on the west coast is of the latest design. After the fish are brought to the plant they are dumped into bins which are capable of holding 100 tons, and are then fed into machines. After entering the machines the fish are lacerated, cooked and handled under great pressure. The oil flows from pipes directly in the containing tanks and the residue comes out as thoroughly dried meal, dropping into tanks. From the time the whole fish is fed into the machine until the oil and meal are produced, the processes are hidden from the eye.

Fish meal has become an important unit in the diet of cattle, swine and poultry. The industry has grown rapidly in the United States since the war. In 1921 out of the 107,273 tons of fish scrap produced 25,000 tons were used for fish meal. As a food stuff it is carefully treated. It can be made from all kinds of fish, salt water and fresh; its leading value depends on a high content of protein. In 1912 Germany imported 40,000 tons of this product valued at $2,000,000. This is a good indication of the markets that will be opened up for fish meal. The German supply depends at present chiefly on Norway, though Great Britain supplies a little, and some is used in the United States. It can, therefore, be said that the fishing industry promises to advance materially through the addition of this new branch of fish reduction.

Austrian Farmers for Canada

MONTREAL.—Dr. Henri Montel, commissioner of emigration for Austria, who has been touring Canada at the invitation of the Canadian Pacific Railway, states that his visit has been satisfactory in every respect and that he expects as a result that Canada will next year receive 1,000 Austrian farm workers.

Half a Century's Growth of the Salmon Industry



The above graph shows the growth of the British Columbia salmon pack over a period of fifty years. From a low of approximately 10,000 cases in 1876, the pack has increased from year to year and for 1926 is estimated at 1,730,000 cases. One of the curious features of the British Columbia salmon industry is that the pack reaches an unusually large volume in cycles of four years. A glance at the chart shows how "history" has repeated itself periodically.

Saskatchewan University May Conquer Wheat Rust

Will Mean Millions to the Country Each Year if This Scourge Can be Eliminated

THE rust research work carried on for some years at the University of Saskatchewan is assuming new phases in the plant-breeding experiments conducted in the Cereal Breeding Section of the Field Husbandry Department. The end in view is a wheat that will have all the good qualities of the best strain of Marquis wheat which will also be highly resistant to all the rust strains found in Canada. During the past season a large number of crossings were made with Marquis on a highly rust resistant strain of Iumillo. In Minnesota there has already been developed a highly rust-resistant cross between Marquis and Iumillo, which is known as Marquis-Iumillo 44. This crop is of good quality, high yielding, combining in a high degree the milling qualities of Marquis, as well as the earliness and strength of straw, but the flour is too yellow to be satisfactory to the millers. It is hoped back-crossing Marquis with Marquis-Iumillo 44 that a strain may be produced which will have the flour color of Marquis combined with the rust resistance and other desirable qualities of Marquis-Iumillo 44.

It will take many years and many hundreds of crosses, together with careful selection and testing before the desired results are obtained. In undertaking these experiments the scientist in charge makes it very clear that he has no assurance that a high quality wheat immune to all rust strains may ever be discovered.

The hybrid seed secured from crosses this year will be sown in the University green house and ripened in doors during the winter in order that the second hybrid generation of plants may be grown in the nursery next year. Progeny of these plants are to be tested for rust resistance and the susceptible lines discarded.

Dr. J. B. Harrington, who has charge of the cereal breeding work is supervising these experiments. Another line followed for the same purpose is the crossing of the Khapli wheat with Emmer. The resultant cross when purified is to be crossed with Marquis wheat or with some other high quality wheat. Some very interesting results are being looked for in this plant breeding work which is carried out on a scale never before attempted in this province.

Cross Wheat and Rye

Approaching the problem from another angle, Professor W. P. Thompson of the Department of Biology is crossing wheat with rye in order to study the effect of this cross on the chromesomes in the hybrid, so as to secure some scientific data on the effect of crossing distantly related species in the carrying of inheritance. Professor Thompson has made some valuable contributions to the Research Council of Canada in rust-resistance research. The discovery of different strains of wheat rust in this province was demonstrated on the highly rust-resistant strains which Professor Thompson had produced, which were practically immune or highly resistant to some strains of rust secured in various localities in the province but succumbed to others. Wheats which were quite resistant to strains found in the Saskatoon district would fall victims to rust found in the Indian Head district or other parts of the province.

Professor W. P. Fraser, who has been carrying on rust-resistance work at the University of Saskatchewan for several years, isolated a large number of these distant strains, which makes the problem of producing a rust-resistant wheat an exceedingly complicated one as it is not yet known just how many strains of wheat rust are to be found in Western Canada in rust years, and the University will not put its stamp of approval on any wheat which does not resist all the strains of rust which have been discovered.

Professor J. B. Harrington is conducting experimental research work on the root rot of wheat, with a view to finding desirable durum varieties or strains that are resistant to the disease. This root rot has done a great deal of damage in the State south of the line, and has been found in practically all parts of this province. This is a problem which may take many years before any definite results are achieved.

The preliminary study of flax wilt has been under way and attempts have been made to secure plants which show some resistance to this serious handicap to flax growing.

One of the most interesting lines of study which Dr. Harrington is pursuing is the natural crossing of wheat, oats and barley. It has been known for some time that this natural crossing takes place at Saskatoon, but no definite data is yet available to show how much impurity arises in the different varieties of cereals as the result of these natural crossings.

The improvement of winter rye by self fertilization of a desirable variety like Dakold is another line of research carried on by this department. As rye crosses almost as readily as corn it is very difficult to secure a pure strain without taking more pains that the ordinary farmer can afford, but by selecting the best seed and keeping this isolated and growing in the nursery rod rows and securing the co-operation of farmers in this experimentation work, it is hoped to raise the standard of rye seed produced in the province so as to increase materially the yield and improve the quality.

The Research Council of Canada has approved of the entire work carried on by the University in this plant-breeding research.

Canadians Eat More Meat and Export More as Well

The volume of beef and pork consumed in Canada is on the increase, while the amount of lamb eaten is smaller than some years ago, as shown in the following table. Per capita consumption of beef has risen from 72.92 pounds in 1922 to 74.91 last year, and the amount of pork used has increased to an even greater extent. Exports of both beef and pork have shown a rapid growth, especially with the lifting of the ban on Canadian cattle by Britain. The high standard of the Canadian product also is a factor in this. Details of consumption follow:

Meat and Poultry Consumption

	1922	1923	1924	1925
Beef (lbs.)				
Net exports	25,371,434	22,249,592	22,897,475	34,246,137
Home consumption	651,891,216	640,777,958	646,032,875	701,502,963
Per capita consumption	72.92	70.55	70.02	74.91
Pork (lbs.)				
Net exports	48,472,546	58,997,559	107,062,246	133,677,113
Home consumption	661,977,326	740,388,765	809,282,942	730,959,055
Per capita consumption	74.05	81.52	87.71	78.06
Lamb (lbs.)				
Net exports	2,627,375	356,963	495,242	1,319,861
Home consumption	87,419,020	78,611,202	77,745,922	77,055,839
Per capita consumption	9.78	8.65	8.43	8.23

Dairy Products Becoming More Widely Diversified

Home Consumption of Butter Has Increased Annually and Exports Have Expanded Also

RAPID growth has taken place in the production of miscellaneous dairy products in Canada, while the output of the old standards butter and cheese has increased slowly. Price changes have made a material change in total value. During the calendar year 1925 the value of creamery butter produced was $66,933,456 against slightly more than $63,000,000 the year before. The volume was more than last year, being 179,932,933 lbs. The average price per pound in 1925 was 37.20 cents against 34.43c in 1924. The maximum price was in British Columbia, where creamery butter was worth 41.68c against 37c the year before.

Factory cheese has increased at a very much more rapid rate both in volume and in value. The volume increased from slightly more than 151,000,000 lbs. to 178,000,000 lbs. and the value from $24,518,734 to $36,781,343. In this case also the price was responsible for a portion of the increased total value, the average price in all provinces having risen from 16.17 cents to 20.62 cents during the three years under discussion.

Condensed and evaporated milk output was about the same in 1925 as the year before, being slightly below $10,000,000 worth. There was a slight increase especially in the output of milk powder. Miscellaneous dairy products increased in value from $26,465,569 to $27,771,695. A big increase took place in the total exports of milk and its products during the year when the total value of exported products amounted to $57,387,990 against $41,851,730. It is apparent from this that there is quite a falling off in domestic consumption in favor of export. The number of dairy factories in operation during 1925 was 3,040 comprising 1,247 creameries, 1,389 cream factories and 308 combined butter and cheese factories and 24 condensaries. The total value of all production of dairy factories in 1925 was $141,331,107, which is an increase over the preceding year of $19,303,926. A statement of the estimated value of butter consumption since 1922 follows:

Butter (lbs.)

	1922	1923	1924	1925
On hand, Jan. 1	11,629,530	14,645,599	16,627,979	23,316,255
Production—Creamery	152,501,900	162,834,608	178,893,937	180,663,783
Home-made	100,000,000	100,000,000	100,000,000	100,000,000
	264,131,430	277,480,207	295,521,916	303,980,038
Imports	6,396,836	2,738,065	1,173,857	99,748
	270,528,266	280,218,272	296,695,773	304,079,786
Exports	21,504,808	13,173,711	22,343,939	26,646,535
	249,023,458	267,044,561	274,351,834	277,433,251
On hand, Dec. 31	14,645,599	16,627,979	23,316,255	10,015,826
Total consumption	234,377,859	250,416,582	251,085,579	267,417,425
Consumption per capita	26.22	27.57	27.21	28.56

"We Serve More Homes than any Individual Dairy in the British Empire"

City Dairy

"We have a Yellow Wagon on Every Street Every Morning"

City Dairy Co., Limited
The Drimilk Co., Limited
City Dairy Farms, Limited

Head Offices at Main Dairy Plant at Spadina Crescent, Toronto

Other Plants of the Company at:
WOODSTOCK
EMBRO

Plants of our Subsidiaries at:
COURTLAND
SIMCOE
LISTOWEL
STRAFFORDVILLE
NEW LOWELL

Branch Offices and Warehouses at:
MONTREAL, QUE.
WINNIPEG, MAN.
VANCOUVER, B.C.
ST. JOHN, N.B.
LONDON, ENGLAND

President and Managing Director
W. J. NORTHGRAVE

Chairman of the Board
S. J. MOORE

DIRECTORS
W. J. NORTHGRAVE S. J. MOORE
A. E. AMES J. N. SHENSTONE
COL. F. H. DEACON MARK BREDIN J. G. KENT
F. ERICHSEN BROWN E. G. BAKER

Ogilvie Flour Mills

Occupies a Unique Position of Strength in the Milling Industry — Investment Record Inspires Confidence— Not Affected so Much by Milling Conditions

The Ogilvie Flour Mills Company stands in a class by itself amongst the millers in many ways. In the first place, its balance sheet for many years has been one of the strongest exhibits presented annually to investors in this country. In both its liquid position and the magnitude of its reserves, as compared with its total liabilities, possibly there is no company in Canada in a stronger position.

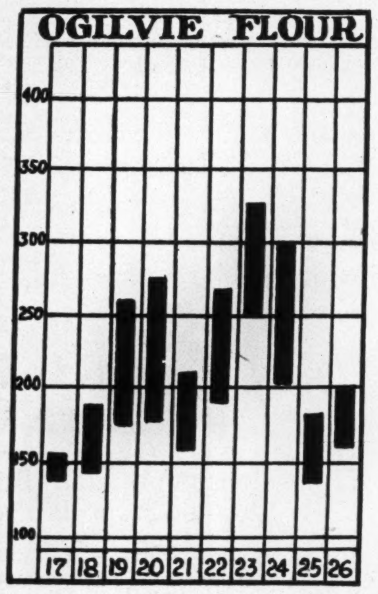
Again, "Ogilvie's" is not only a milling organization, but derives profits from its large investments, as well as from its operations in milling, coarse grains, elevator service and from the Tree Line Steamships, which operates eleven steamships engaged in the Great Lakes grain trade. They are used in the transportation of grain and coal between Port Colborne and Lake Erie points and Montreal.

Thus, "Ogilvie's" depends not only on milling for revenue. From these other sources, it is able to earn not only fixed charges, bond interest and other requirements, but also a satisfactory rate on the common stock. So that, while earnings for the past year which ended August 31, might perhaps be lowered, due to the general depression which prevails in the flour milling industry as a whole, yet earnings will not have fallen off to the extent exhibited by other operators, even presuming they do show a decline.

The original predecessor business dates back to 1801. The present organization was incorporated in 1902. Its mills have a daily production of 22,750 barrels of flour, rolled oats and other cereals, the largest production of any Canadian company. It owns 9 terminal elevators and 172 elevators in the West, with a storage capacity of some 10,735,000 bushels of wheat, in addition to warehouses with a storage capacity of 415,000 barrels of flour. It operates a barrel factory with a capacity of 3,000 barrels daily.

In its management, the company is fortunate and, for a number of years its executives have been busily re-investing a considerable proportion of its annual profits. The result of these policies is seen in the strong balance sheet which it is able to present.

In 1924, a new company of the same name was formed to take over the old company, and the common shareholders in the old company received one new share of new preferred and three shares of new no par value common for their old stock.



The location and capacities of the nine mills which the company operates follow:

Mills	Barrels Per diem.
Royal mill, Montreal	8,000
Glenora mill, Montreal	3,000
Winnipeg mill, Winnipeg	3,000
Winnipeg—Corn, Rye and Barley	500
Ft. William mill, Ft. William	3,000
Corn products mill, Montreal	1,000
Oatmeal mill, Winnipeg	750
Medicine Hat mill	3,000
Edmonton mills	500

The company carries its large investment holdings on its balance sheet at below market valuation. Just how much the present value of its stock holdings is below market quotations is, of course, unknown, but it will be recalled that the company purchased large holdings of "Smelters" at under 30, and the increase in its assets may be judged by a comparison with the present market price of the latter stock. Thus investors may take it for granted that the total value of this investment account is worth considerably more than the amount shown on the balance sheet. As the company does not subdivide the various sources from whence come its revenues, it is impossible to say what proportion of the earnings come from investments and what proportion from other operations. When the company presents its balance sheet for the year just concluded, investors will be able to see just how poor conditions in the milling industry as a whole affect the company.

It is understood that the company's investment holdings include such stocks as the Dominion Textile, Consolidated Smelters, Montreal Power, Laurentide Power, Brazilian and others.

The shareholders in this leading Canadian flour milling enterprise have fared exceptionally well in the past, but it is not generally realized that a total of 392 per cent. has been paid on the common stock during the period of the company's dividend history.

Capitalization—

	Outstanding
Pref. 7% cumulative	$2,000,000
Com. no par value shares	75,000

Funded Debt—
6 per cent. first mortgage due June 1, 1932, interest payable June 1, and December 1 in Montreal, $2,350,000.

Dividend Record—
Preference paid regularly.
Common 7 per cent., 1904-1909; 8 per cent., 1910; 10 per cent., 1917; 12 per cent., 1918-1924; $1.25 per share on new shares paid quarterly from Apr. 1, 1925. Bonuses on common—4 per cent., 1916; 15 per cent., 1917-1919; 10 per cent. 1920, 1922 and 1923; 13 per cent., 1924; $3 a share Oct., 1925.

Officers and Directors—
C. R. Hosmer, president; W. A. Black, vice-president and managing director; Sir Montagu Allan, Sir Herbert Holt, Charles Chaput, Sir Charles Gordon, S. T. Smith, R. R. Dobell, E. L. Pease, G. A. Morris, sec.-treas.; J. C. McLaughlin, asst.-sec.-treas.

Profit and Loss—

	1924	1925
Net profits	$1,152,217	$ 758,145
Spec. deprec.	250,000	......
Balance	$ 902,217	$ 758,145
Dividends	765,000	721,250
Surplus	$ 137,217	$ 36,895
Prev. bal.	2,001,103	2,138,320
P. & L. bal.	2,138,320	$2,175,215
Earn. Rate:		
% on common	30.48	8.24
% on preferred	45.10	37.90

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$1,955,414	$815,000	$1,330,592
1919	1,632,516	815,000	1,244,516
1920	959,065	690,000	1,513,582
1921	636,303	440,000	1,709,885
1922	846,989	690,000	1,866,875
1923	824,227	690,000	2,001,103
1924	1,152,217	765,000	2,138,320
1925	758,145	721,250	2,175,215

Market Record—

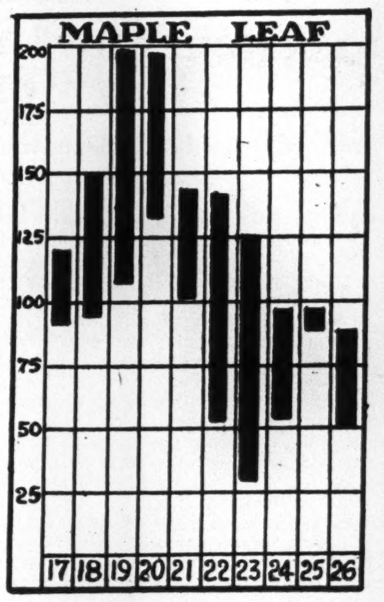
	1924		x1925		1926	
	H	L	H	L	H	L
Com.	380	304	180½	135	200	165½
Pfd.	122	116	127	120	125	117
Bds.	104½	101½	105½	104	104	103½
(B)	104	102½	106½	104	105½	105

x—Common stock split 3 for 1.

Maple Leaf Milling Co.

Competition Still Keen and Company's Profits Reduced—Has the Largest Flour Milling Plant in British Empire

Like the other flour milling companies in Canada, the Maple Leaf Milling Company has suffered severely from keen competition, especially on the part of firms located in the Buffalo area. As stated elsewhere in this issue, the freight rates are adverse to the Canadian miller. It is cheaper to ship wheat from the head of the Lakes and have it milled in transit on route to the Atlantic, calling at American ports rather than Canadian. As a result cities like Buffalo are thriving on the milling of Canadian wheat, while Canadian towns across the border are suffering. This is part of the reason why the profits of Maple Leaf Milling Co. for the past year have fallen off to $432,767 against $520,603 the previous year. Of course, it must be borne in mind that the previous year was somewhat exceptional. Large orders from Russia were received by the company, and were responsible for a big addition to the volume of business. While it is difficult to get accurate information on the Russian grain situation, it is probable that Russia will shortly be able to provide her own needs, and little further business of this nature is looked for at the moment. At the same time the profits shown for the year just past were larger than the four year average.



Mill Running at Capacity

The huge plant of the Maple Leaf Company, located at Port Colborne, Ontario—the largest milling plant in the British Empire — is now operating at close to capacity, although some stops were recently necessitated by the small volume of grain. It is probable that the Maple Leaf Milling Company is better situated than any other company in this respect. The capacity of the mill is between 12,000 and 13,000 barrels a day, and it is admirably situated at the mouth of the Welland Canal for lake grain business, assuming that a satisfactory adjustment is made in the question of rates. The matter is now before the Dominion Board of Grain Commissioners, and it is hoped that some decision will soon be made to equalize rates so that Canadian firms will not be penalized to the advantage of those across the border.

Maple Leaf Milling Company has shown great foresight in the purchase of bakeries in order to secure a permanent buying market. Two big bakery chains, the Canada Bread Company, and Canadian Bakeries, have been acquired. These jointly produce nearly 150,000,000 loaves of bread a year, which is approximately one-third of the total Canadian production. Canadian bakeries combined use approximately 3,000,000 barrels of flour a year. This would indicate that the Maple Leaf Milling Company has a definite bakery market for about one million barrels of flour in its own bakeries. In addition to the value from the standpoint of providing a market, these bakery chains have proved quite profitable to the company.

Oriental Market Expanding

While it may be thought that the British flour market may not be permanently open to Canadian firms in view of the possibility of obtaining wheat in Europe, later, it seems certain that there will be a gradually expanding market for Canadian flour in the Orient. When prices reach a certain low level, it is possible for Canadian flour mills to sell large quantities of flour to China and Japan. With the increase in public wealth, and the spread of education, there is a desire to emulate the West and foodstuffs such as European and American people use are consumed in larger quantities. Advertising has gradually made a market for Canadian wheat flour in the Orient, and the Maple Leaf Milling Company is one of the foremost in promoting this trade. Certain qualities are prepared specifically for the Chinese market, and the flour sacks are branded with Chinese letters. This will help to educate the natives of China in the use of flour, and an effort is being made to suit the product to their particular requirements.

A Strong Working Position

Maple Leaf's working position, as shown on the balance sheet recently issued, is strong, although slightly less satisfactory than it was a year ago, as was anticipated. Current assets of $9,089,864, compared with $12,311,024 a year ago, and current liabilities of $5,114,066 with $8,584,000. Cash on hand shows a slight decline, being $259,617. The depreciation reserve has been increased from $1,551,086 to $1,608,699. Details with regard to the capitalization, dividend records, officers, etc., follow:

Capitalization—

	Authorized	Outstand'g
Common	$2,500,000	$2,500,000
Preferred	3,500,000	2,930,000
(Par $100.)		

Bonds 6½ per cent., first mortgage, 20-year, due 1943, $1,897,000.

Dividend Record—
7 per cent. paid on preferred quarterly. On common first dividend of 3 per cent. was paid April 18, 1916; 2 per cent. July 18, October, 1916, and Jan. 18, 1917; 2½ per cent. April 18, and July 18, 1917, 2½ per cent. plus 1½ per cent. Oct. 18, 1917; 10 per cent. in Victory Bonds, Dec. 20, 1917, 2½ per cent. Jan. 18, 1918; 2½ per cent. plus 1 per cent., April 18, July 18, Oct. 18. 10 per cent. in Victory Bonds, Dec. 18, 1918; 2½ per cent. plus 1 per cent. Jan. 18, 1919. Placed on 3 per cent. quarterly basis from 1st April, 1919. Reduced to 2 per cent. for quarter begining April 1, 1922. Passed Oct. 1923, and since.

Officers and Directors—
James Stewart, president; C. W. Band, vice-pres.; Robert Cooper, W. L. Shaw, D. L. Cameron, E. R. Decary, H. J. Symington, D. A. Campbell, gen. mgr.; J. A. Lehman, sec.

Profit and Loss—

March 31	1925	1926
Profits	$ 520,604	$ 432,758
Bond interest	127,836	123,255
Net profit	$ 392,768	$ 309,503

Canada Biscuit

Recent Merger is Now the Largest Company of Its Kind in the Dominion

The Canada Biscuit Company was incorporated in April of this year and has acquired the following companies:

McCormick Manufacturing Co., London, Ont.
Paulin-Chambers Co., Winnipeg, Man.
J. A. Marven, Ltd., Moncton, N.B.
Montreal Biscuit Co., Montreal, Que.
Northwest Biscuit Co., Edmonton, Alta.
Northwest Mill & Seed Co., Edmonton, Alta.
D. S. Perrin & Co., London, Ont.

The company is the largest manufacturer and distributor of biscuits, confectionery and allied products in Canada and the consolidation of these seven successful manufacturers has resulted in many material economies.

The merged company now has more than 2,500 employees and the combined sales of the predecessor companies have averaged over $8,000,000 annually. Of the merging companies, the McCormick Manufacturing Company is the oldest and largest, and the business which it brings to the merger will represent nearly one-half of its total operations. It can be seen that the individual units are strategically situated at points throughout the Dominion, that ensure both economy in manufacture and in distribution. Warehouses are also maintained in all important cities.

In order to finance the merger, a public offering of $2,200,000 of first mortgage bonds was made this year, and earnings since the formation of the company already show the result of the savings which have been made.

Capitalization—

	Authorized	Outstand'g
Common (No par value)	100,000 shs.	87,280 shs.
Preferred 7% (Cumulative, par $100)	$5,000,000	$3,519,000

Funded Debt—
First mortgage 6½ per cent. sinking fund gold bonds, dated May 1, 1926; due May 1, 1946, $2,200,000.

Officers and Directors—
F. A. McCormick, pres.; C. C. Wardrope, J. A. Marven, H. Shaw, J. Farquharson.

Profit and Loss—
Net earnings available for bond interest, depreciation and taxes, after deducting all operating charges, maintenance and repairs, have been as follows: Aver. annual earnings, 7 years ending Dec. 31, 1925, $586,532; aver. earnings, 3 years ending Dec. 31, 1925, $494,812; for year ending Dec. 31, 1925, $508,301.

Prev. surplus	1,641,447	1,829,115
	$2,034,215	$2,138,615
Pref. dividends	205,100	205,100
Surplus	$1,829,115	$1,933,515
Earn. Rate—		
% on common	7.50	4.17
% on preferred	13.40	10.58

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$1,021,267	$737,500	$1,572,569
1919	929,105	775,000	1,568,545
1920	917,409	490,050	1,853,675
1921	917,158	505,100	2,060,949
1922	543,146	505,100	1,824,111
1923	645,121	405,100	1,664,053
1924	334,062	255,100	1,641,447
1925	520,604	205,100	1,829,115
1926	432,758	205,100	1,933,515

Market Record—

	1924		1925		1926	
	H	L	H	L	H	L
Common	90	59	100	80	88	[illegible]
Preferred	100¼	87	106	96	102	[illegible]

Refinery: Saint John, N.B.

OFFICERS AND DIRECTORS

OFFICERS

President: L. J. Seidensticker
Chairman of the Board: D. Lorne McGibbon
Vice-Presidents: W. D. Ross, Sir Thomas Tait
Secretary: Stephen J. LeHuray
Treasurer: Mark J. Savage
Asst. Secretary-Treasurer: E. S. Johnston

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J. B. Coombs
W. D. Ross
Lewis J. Seidensticker
D. P. Thomas
S. J. LeHuray
Wilfred A. Hobbins
Sir Thomas Tait
Hon. Wallace Nesbitt, K.C.
Murray E. Williams
William Mulock
L. R. Wilson
H. W. Beauclerk

Makers of "LANTIC" Sugar
Refiners of Pure Cane Sugars for Domestic and Foreign Markets
Yearly Capacity over 300,000,000 lbs.
500 Workmen Employed

Lantic Sugar

Atlantic Sugar Refineries
LIMITED

Head Office
Montreal

Refinery
Saint John, N.B.

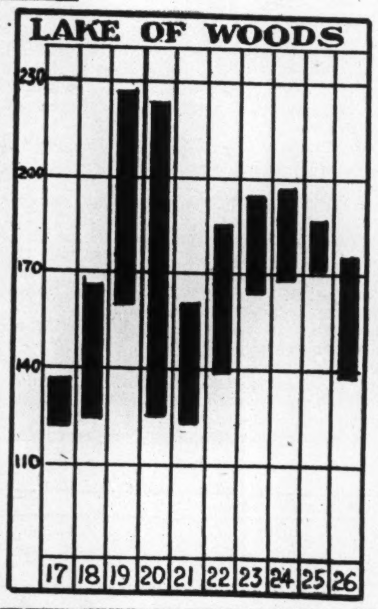
Lake of the Woods Milling

Effect of Larger Capacity of Plants Will be Offset by Difficult Conditions Prevailing in the Industry at Present

In common with all the flour milling companies, the Lake of the Woods Milling Company has experienced a reduced margin of profit on its output this year. The reason for the less prosperous condition in which the flour mills find themselves is due, of course, to the narrowing of foreign markets, coupled with lower prices. The reasons underlying the present condition of affairs in the industry are discussed elsewhere in the issue.

The company owns and operates eight mills in Canada. These, with their capacity, follow:

	Barrels
Kewatin (2 mills)	10,000
Portage la Prairie	1,500
Medicine Hat	1,500
Montreal	6,000
Brantford	900
Hamilton	200
Total	20,100



The company owns and operates in addition 125 grain elevators at various points in the three prairie provinces.

The present slump in the milling industry is the more unfortunate, as over a year ago the company acquired the plants of the Dominion Flour Mills Company, whose Montreal plant enabled the Lake of the Woods to load directly into vessels for ocean transport. Unfortunately, during the year 1926, the poorer markets have not allowed the company to obtain the full benefits which should have accrued from the acquisition of this added seaboard capacity.

In foreign and domestic markets, the flour manufactured by the Lake of the Woods has long been recognized as being of a superior quality; this, coupled with the prominent role which the company occupies in this great natural Canadian industry, places it in a sound position in which to take advantage of bettered markets for flour, when that time comes.

The annual report of the year ending August 31st revealed the fact that for two years the company has been unable to earn sufficient to meet common stock dividend requirements. However, these dividends have been readily met out of reserves set aside during the fat years. The company is in a strong position both as regards reserves and working capital. Earnings of $271,792 compared with $78,486 in the previous year. And the indications are that this improvement will be continued.

In discussing the outlook for the present year, the president at the annual meeting stated that the month of September, which was the first month of the new fiscal year, was entirely satisfactory from an earning standpoint, and the outlook for the future was much brighter.

For the first time in the past four years a funded debt appears on the balance sheet. This is a 5 per cent. first mortgage bond issue of the Dominion Flour Mills of $1,400,000, which is guaranteed by the Lake of the Woods Milling. This issue was made obviously to finance the purchase of the new subsidiary. The president in his remarks to the shareholders points out that the acquisition of this property about a year ago has worked out satisfactorily. Other changes in the balance sheet were of a minor character, with the exception of the fixed assets which naturally increased by practically the same amount of the bond issue on the Dominion Flour Mills which appears on the other side of the exhibit. The surplus account showed the decrease in the income account.

Capitalization—

	Authorized	Outstand'g
Preferred	$1,500,000	$1,500,000
Common	4,000,000	3,500,000

Dividend Record—
Preferred, 7 per cent. cumulative, paid regularly each quarter. Common, 12 per cent. per annum. Paid 8 per cent. from 1911-1917, 10 per cent. thereafter to Sept., 1918, when rate was increased to 12 per cent. Bonuses out of surplus paid as follows: 10 per cent. 1909; 5 per cent., 1910; 2 per cent., 1913; 4½ per cent., 1917-18; special dividend of 25 per cent. paid Sept., 1920.

Officers and Directors—
Brig.-Gen. F. S. Meighen, president and manag. dir.; W. W Hutchinson, vice-president and gen mgr.; W. R. Allan, R. M. Ballantyne, T. Bienvenu, N. J. Breen, G. V. Hastings, A. Kingman, R. W. Reford, J. K. L. Ross, Sir Lomer Gouin, K.C., W. Molson, T. F. McNally, treas.; M. H. Hutchinson, sec.

Profit and Loss—

Year end. Aug. 31,	1924	1925	1926
Profits	$ 740,767	$ 193,486	$ 271,792
Deprec.	115,000	115,000	......
Net profit	$ 625,757	$ 78,486	$ 271,792
Pfd. divs.	105,000	105,000	105,000
Balance	$ 520,767	†$ 26,514	$ 166,792
Com. divs.	420,000	420,000	420,000
Balance	$ 100,767	†$ 446,514	†$ 253,208
Written off.	*50,000	......	......
Balance	$ 50,767	†$ 446,514	†$ 253,208
Prev. bal.	1,328,773	1,379,541	933,027
Surplus	$1,379,541	$ 933,027	$ 679,819

*Provision for employees' retiring allowance.
†Debit.

Earn. Rate—

On Pref.	41.66%	5.23%
On Com.	14.85%	......

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$587,914	$357,000	$ 978,779
1919	756,616	399,000	982,414
1920	732,232	399,000	1,161,647
1921	762,073	525,000	1,262,867
1922	713,087	525,000	1,278,455
1923	732,318	525,000	1,328,773
1924	740,767	525,000	1,379,541
1925	193,486	525,000	933,027
1926	271,792	525,000	679,819

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Common	188	167	193	169	175	139
Preferred	121	115½	125½	115	118	115

Alberta Pacific Grain

New Company Acquired Very Successful Predecessor—Storage Capacity on Pacific

The Alberta Pacific Grain Company was recently incorporated to acquire the very successful predecessor company of the same name. At that time the company sold publicly an issue of bonds and preferred shares. At the same time it agreed to acquire also a modern terminal elevator of 2,000,000 bushels capacity in Vancouver, B. C.

The company and its predecessor have carried on a general grain business throughout western Canada since 1902. Since that date it has shown a rapid growth, both in earnings and in earning power. The properties which are at present owned by the new company include, in addition to the Vancouver terminal, an interior terminal elevator at Calgary with a capacity of 250,000 bushels, 319 country grain elevators, 166 dwelling houses, and 226 coal sheds, all situated in the provinces of Saskatchewan and Alberta. The combined terminal and country elevator storage capacity amounts to 13,505,000 bushels.

The company also owns shares in several terminal elevator companies in Port Arthur and Fort William, Ontario; these companies have an aggregate storage capacity of over 14,000,000 bushels, and through this arrangement the company has the storage capacity which it requires at Great Lakes ports for its grain forwarded through its country elevators. In April of this year, the replacement value of the company's fixed assets plus its net working capital amounted to $8,717,285.

Capitalization—

	Authorized	Outstand'g
Com. Class "A"	80,000 shs.	80,000 shs.
Com. Class "B"	20,000 shs.	20,000 shs.
(No par value)		
Preferred 7%	$3,000,000	$3,000,000
Cumulative redeemable.		

Funded Debt—
First mortgage 6 per cent. sinking fund gold bonds, dated June 1, 1926; maturing June 1, 1946, $3,500,000.

Officers and Directors—
J. Stewart, pres.; C. W. Band, D. A. Campbell, J. C. Gage, A. C. Michael, F. W. Riddell, man. dir.

Appo Krisp Company

The Appo Krisp Company was formed about one year ago by a group of Nova Scotian business men to manufacture and market a new cereal food which would be made by the combination of wheat and apples. The financing of the new organization proceeded slowly so. recently, the company gave an option on its U. S. rights which provided that the Canadian company be financed and a first unit erected in the Annapolis Valley, Nova Scotia, before any of the cereal is made or sold in the U. S. At the moment, it is understood that the holder of the option on the U. S. rights is negotiating with large U. S. cereal interests with a view to arriving at some deal whereby Appo-Krisps will be merchandised both here and in the United States. In any event, every effort will be made to finance the company, should the option not be taken up.

Capitalization—

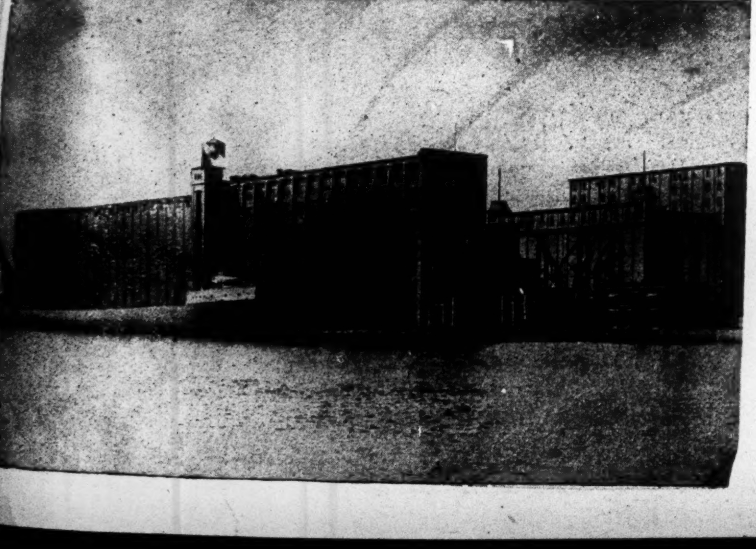
	Authorized
Com. 3,000 shares (voting)	$3,000,000
Pref. 2,000 shares 8% cum. (Non-voting)	200,000

Shares $100 each.

Funded Debt—
$7,000, 5 per cent., 5-year debenture given as part payment for patents.

Officers and Directors—
T. P. Calkin, pres.; Col. R. Innes, sec.-treas.; A. E, McMahon; H. H. Bligh, O. W. Graves.

A Typical Canadian Flour Mill



St. Lawrence Flour

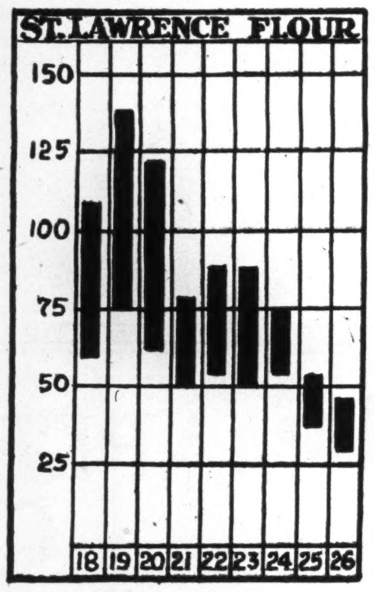
Some Large Shareholders Dissatisfied and Propose to Take Some Action at Meeting

There has been some dissatisfaction with the manner in which the St. Lawrence Flour Mills Company has been operated and a committee of shareholders has appointed J.A.H. Cameron, K.C., of Montreal, to look after their interests. Within the past month or two, Mr. Cameron sent out to the company's shareholders proxies which he intends to use at the forthcoming annual meeting, to be held this autumn.

There is little doubt that the St. Lawrence Flour Mills Company is suffering in common with the other flour milling companies, due to the situation in foreign markets. Moreover, a too generous dividend policy in the past has adversely affected its present condition, and shareholders will have to wait patiently for some considerable time before the condition of the markets for flour is such as to warrant any resumption of dividend disbursements.

The St. Lawrence Flour Mills Company owns a mill and the necessary elevators, warehouse and other buildings situated on the banks of the Lachine Canal in Montreal. The larger Canadian millers are better able to withstand a period of unfortunate conditions through their elevator chains and earnings obtained in other branches of the grain trade, such as the business in coarse grains. There is little doubt, also, that the situation of the company's mill in Montreal would make it valuable to other milling companies, who might require added capacity at a point suitable for export trade. Indeed, some time ago there were rumors indicating that one of the large milling companies was negotiating either for purchase or control—but nothing came of the supposed negotiations. It is possible that the ultimate destiny of the company will be along these lines.

The company has a large goodwill account amongst its assets, and while this was reduced at the last annual meeting, this was only brought about



by writing up the fixed assets, namely, plant, by a similar amount—really little more than a bookkeeping entry.

For the year ending August 31st the company turned an operating loss into an operating profit, but not sufficient to meet both depreciation and preferred dividend requirements. Surplus was reduced by $4,672.

Not only was the output for the year nearly 30,000 barrels greater, but President Williamson was able to tell the shareholders at the annual meeting that price-cutting in the industry had stopped, and that the outlook for the future was greatly improved.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum.	$ 600,000	$ 575,000
Common	1,200,000	1,200,000

Funded Debt—
First mortgage 6 per cent. bonds, due July 1, 1941, callable at 110 after July 1, 1931, $91,500.

Dividend Record—
Preferred, paid regularly, 1st Feb., May, August and November. Common initial dividend of 1¼ per cent. paid Nov., 1917. From May, 1918, to Nov., 1924, 6 per cent. per annum. Reduced to 4 per cent. Jan., 1925, passed for quarter April, 1925, and since. Bonus of 4 per cent.—at 1 per cent. per quarter—paid in 1918 and 1919; 10 per cent. paid in Jan., 1920; 1 per cent. paid quarterly 1920, and Feb. 1, 1921.

Officers and Directors—
Gen. A. E. Labelle, president; T. Williamson, vice-pres. and man. dir.; Geo. W. Grier, C. H. Branchaud, Joseph Quintal, A. E. Gagnon, sec.; D. S. Thornton, treas.

Profit and Loss—

	1924-25	1925-26
Profits	(a)$ 98,300	$ 54,554
Bond int.	5,608	5,476
Net income	(d)$103,908	$ 49,078
Pfd. divds.	40,250	40,250
xBalance	(d)$144,158	$ 8,828
Com. divds.	30,000	.....
Year's sur.	(d)$174,758	$ 8,828
Prev. sur.	417,392	163,497
Total sur.	$243,234	$172,325
†Taxes	13,117	.....
Balance	$230,117	$172,325
Dept.	66,620	13,500
P. & L. Sur.	$163,497	$158,825

(a) Operating loss.
(d) Deficit.
†For preceding year.
xBefore deducting excess profits, taxes paid in succeeding years.

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917-18	$268,737	$160,250	$251,154
1918-19	245,594	160,250	322,263
1919-20	215,077	160,250	397,829
1920-21	147,801	136,250	382,279
1921-22	169,365	112,250	417,132
1922-23	110,883	112,250	396,873
1923-24	145,900	112,250	417,392
1024-25 ...(a)	98,300	70,250	163,497
1925-26	54,554	40,250	158,825

Market Record—

	1924 H.	1924 L.	1925 H.	1925 L.	1926 H.	1926 L.
Com.	75	65	65	27	45	26
Pref.	95	89	82	78½	84	80

Dominion and Provincial
Government Bonds

Municipal Bonds

Public Utility
and
Industrial Financing

Foreign Issues Quoted

DOMINION SECURITIES CORPORATION
LIMITED.
Established 1901

MONTREAL OFFICE
189 St. James Street

E. R. WOOD, President
Head Office: 26 King Street East
TORONTO 2

LONDON, ENG., OFFICE
No. 6 Austin Friars

Known Universally for Quality and Uniformity

LAKE OF THE WOODS MILLING COMPANY CANADA LIMITED
TRADE MARK REGISTERED

LAKE OF THE WOODS
MILLING CO., LIMITED

Makers of FIVE ROSES FLOUR

Mills at — MONTREAL — BRANTFORD
KEEWATIN, PORTAGE LA PRAIRIE,
MEDICINE HAT

DAILY CAPACITY: 40,000 bags of 98 lbs.

HEAD OFFICE—MONTREAL

President and Man. Director
FRANK S. MEIGHEN, C. M. G.

Vice President and Gen. Manager
WM. W. HUTCHISON

Directors
R. M. BALLANTYNE — TANCREDE BIENVENU — N. J. BREEN
Hon. Sir LOMER GOUIN, K.C.M.G. — GEORGE V. HASTINGS
WALTER MOLSON — ABNER KINGMAN
R. W. REFORD — J. K. L. ROSS

Secretary: M. H. HUTCHISON — Treasurer: T. F. McNALLY
Asst. Treasurer: A. C. McMILLAN

WESTERN OFFICE: WINNIPEG
Offices in 20 Canadian Cities
Correspondents in all Importing Countries

Canada Bread Company

Outstanding Examples of How Big Business Serves Public Efficiently and Makes Good Profits

Further growth and expansion of the business of the Canada Bread Company during the past year has been definitely indicated in the annual report issued recently and showing profits of $790,812, as compared with $722,237 in 1925 and $606,598 for the year ending in 1924. Earnings available for the holders of common stock were equivalent to $5.08 a share on the 250,000 no par value shares outstanding after the deduction of $200,000 for goodwill account. This compares with earnings of $8.68 last year when no deduction was made on account of goodwill. In 1924 earnings were $5.95 a share on the same basis.

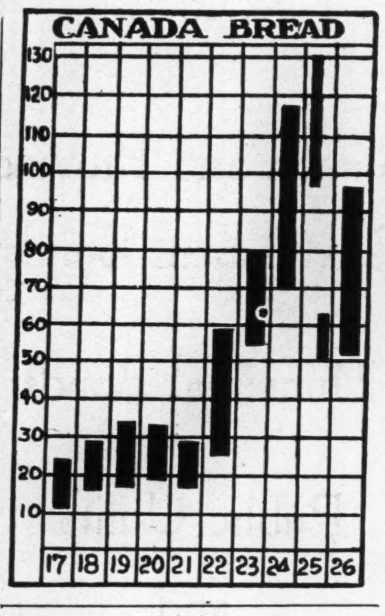
The company has purchased the business formerly conducted by Johnston Bros., at London, taking same over on January 2, 1926, and on May 1, the Dickson Bakery and the Smith Bakery in Galt were taken over. The Smith Bakery has since been closed, all business being carried on in the Dickson plant under one management.

During the year the company purchased five gas heated traveling ovens at a cost of $250,000—one already installed in the Hamilton plant being installed at Ottawa and one each for Avenue Road, Bloor St. and Danforth Ave. plants, Toronto, following the policy of keeping all plants modern in every particular. The company recently purchased land on the highway in Oshawa and is arranging to erect a distributing depot there, shipping bread and cake from Toronto daily by motor delivery.

Results which have been obtained will be very satisfactory to shareholders, and the directors call attention to the fact that success has attended the first year under the general managership of W. D. Bredin. The directors have decided on a policy of writing the goodwill account off and have transferred from surplus $200,000, and from general reserve $176,909, reducing book value of goodwill by $376,907.

The balance sheet of the company shows that assets total $7,698,858, of which $6,732,413 are fixed assets.

Canada Bread is regarded as a leader in its field. Formed in 1910, it was one of the first bakery chains on the continent. Soon the advantages of larger skill, production, with concentration and centralization, resulted in a standard product for the public of high quality and the successful employment of capital in an enterprise rendering definite public service. Large traveling ovens bake thousands of loaves of bread each hour, and fleets of trucks deliver the specially made products to the thousands of consumers in record time. Modern machinery has resulted in a cutting down of labor costs to the material benefit of the company. At the same time as production has increased, larger profits have resulted despite a narrowing margin on turnover.



Funded Debt—
Bonds 6 per cent. first mortgage sinking fund gold bonds, due Aug. 1, 1941, outstanding $1,051,800.

Dividend Record—
Preferred dividends have been paid regularly, 1¾ per cent. quarterly. Common, 2 per cent. was paid Jan. 1917; special dividend of 4 per cent. paid April, 1924; regular quarterly dividend of 1 per cent. payable Jan., Apr., July and Oct. 1, resumed July 1, 1924. A stock dividend of one share "without par value" for every share of common held ($100 par value) was paid July 6, 1925, upon surrender for exchange of old certificates.

Officers and Directors—
Mark Bredin, president and general manager; D. O. Ellis, Alfred Johnston, W. T. Bredin, vice-president; A. A. Ryley; E. W. McNeil, secretary.

The income account over a period of years was as follows:

Profit and Loss—

	1924	1925
Manufactured prod. ...	$606,598	$ 722,237
Int. earned	20,791	13,757
Total revenue	$627,389	$ 735,994
Depreciation	167,929	195,829
Bond purchases	12,500	12,500
Income tax	48,053	47,499
Pref. divids.	87,500	87,500
Com. divids.	100,000	125,000
Stock div.	......	25,000
Surplus	$211,407	$ 242,666
Bal. forward	711,696	923,103
	$923,103	$1,165,769

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$263,706	$137,500	$153,522
1919	196,152	87,500	103,418
1920	310,119	87,500	172,295
1921	325,075	87,500	322,370
1922	413,814	87,500	487,657
1923	585,819	87,500	711,696
1924	627,388	187,500	923,103
1925	735,994	237,500	1,165,769

Market Record—

	1924 H.	1924 L.	1925 H.	1925 L.	1926 H.	1926 L.
Pref. (a)	104	95	108	100	95	53
Pref. (b)	..	..	97	85¼	112	105
Com.	105	63	65	39¾	107	96
Bonds	102½	98¾	104	102	106	104

Capitalization—

	Authorized	Outstanding
Common	25,000 shs.	25,000 shs.
(No par value.)		
Pref. 1st non-cum.	$1,250,000	$1,250,000
Pref. B. non-cum.	2,500,000	2,500,000

Income Account (Years Ended June 30)

	Total Income	Bond Interest	Pfd. Divids	Com. Divids	Res. for Deprec.	Other Reserves	Surplus For Yr.
1915	298,725	72,235	87,500	......	*60,000	‡40,700	38,290
1916	234,351	71,821	87,500	......	50,000	‡12,500	12,530
1917	262,812	71,028	87,500	......	50,000	‡12,522	41,762
1918	263,706	68,938	87,500	50,000	37,500	**14,000	5,768
1919	196,152	67,989	87,500	......	50,000	950	(d)10,287
1920	310,119	67,200	87,500	......	50,000	†36,543	68,876
1921	*325,075	.....	87,500	......	60,000	†27,787	149,789
1922	*413,814	.....	87,500	......	115,000	†54,740	156,574
1923	*585,819	.....	87,500	......	126,000	†139,279	238,040
1924	*627,388	.....	87,500	100,000	167,929	†60,552	211,407
1925	*735,994	.....	87,500	150,000	195,829	†59,999	242,666

*—After bond interest.
†—Includes taxes, contingency and bond purchases.
‡—For bond redemption.
**—Of which $12,500 was reserved for bond redemption and $1,500 for patriotic donations.

Earn. Rate—	1925	1924	1923	1922	1921
*% on com.	16.02	12.36	13.32	6.24	5.96
% on pref.	32.50	31.84	33.60	19.52	18.96

*—On old capitalization.

International Milling

Company Known in Canada as Robin Hood Mills, Ltd., Expanding on Both Sides of the Boundary

The 1926 report of the International Milling (Robin Hood Mills, Ltd.), for the year ending with August is not available at writing but will be made public in the near future, and, it is understood, will show probably even more satisfactory conditions than revealed by the 1925 report, which showed net income of $790,797, as compared with $703,695 for the preceding year. Perhaps the best indication of the progress being made by the company and the success of its operations is the fact that plans for expansion both in Canada and the United States are being carried on. It is the international nature of this company's business, with mills on both sides of the boundary, that enables it to operate on a relatively even basis as compared with mills with their entire interests in either country. Experience shows that frequently when conditions are unsatisfactory in Canada they are much better in the United States or vice versa.

The last available balance sheet showed total assets of $9,678,410, of which $1,013,345 was cash, $1,514,875 inventories, $1,109,955 accounts receivable and $5,767,550 real estate, buildings, machinery, equipment, etc. Working capital was shown at $2,990,332, an increase of about $241,000 over the previous year.

The present International Milling Co. was incorporated in March, 1923, in Delaware, successor to a company of the same name which was incorporated in 1910 in Minnesota and which had acquired the assets and business of the Saskatchewan Flour Mills Co., of Moose Jaw, and New Prague Flour Milling Co., of Minnesota, and the latter's constituent companies, Blue Earth City Mill Co., Wells Flour Milling Co., and Western Flour Mill Co. Prior to that in 1912 the company had acquired the assets of the Calgary Milling Co., including mill and terminal elevator at Calgary, distributing warehouse at Vancouver and country elevators. The Canadian business is conducted under the name of Robin Hood Mills, Ltd. The company's mills are located at Moose Jaw, Calgary, Davenport, Sioux City, New Prague, and other points in Minnesota. The combined mill capacity is 12,000 barrels of flour and 1,800 barrels of cereals per day, and the elevator capacity 5,000,000 bushels.

All the 50,000 common shares and $1,105,100 of the $2,200,000 of first preferred stock were issued to the Minnesota company for its property and assets. The balance of the outstanding preferred stock was issued to repay the company for capital expenditures, for increasing its working capital and for general purposes.

Capitalization—

	Authorized	Outstanding
Common	50,000 shs.	50,000 shs.
(No par value)		
Pref. 1st 7 p.c. ..	$5,000,000	$2,329,200
(Par value $100)		

Funded Debt—

First mortgage sinking fund 6 per cent. bonds due 1930	1,500,000	497,500

Dividend Record—
First preferred 7 per cent. per annum, payable quarterly. On new no par common $4.60 per share was paid Dec., 1923; $5.75 per share paid Dec. 1924.

Officers and Directors—
F. A. Beau, pres.; F. A. Beau, Jr., vice-pres.; W. L. Harvey, sec.-treas.; H. F. Marsh, J. R. Morris, F. V Spofford, J. J. Kovarik, A. E. Ames.

Profit and Loss—

	1924	1925
Net income	$ 703,695	$ 790,797
Bond interest	32,209	30,940
Pref. dividend	154,000	158,851
Com. dividend	230,000	287,500
Surplus	287,486	313,506
Prev. balance	2,146,924	2,434,410
	$2,434,410	$2,747,916
Earn. Rate:		
On common	$10.34	$12.02
On pref.	30.50%	52.58%

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1921	$397,403	$ 77,357	$ 849,845
1922	560,012	287,357	1,087,626
1923	405,255	37,234	2,146,924
1924	703,696	384,000	2,434,411
1925	790,796	446,351	2,747,916

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
1st pref.	100	98	102	96¾	105	98

Canadian Bakeries

Merger of Five Baking Units With Combined Weekly Capacity of 1,500,000 Loaves

Canadian Bakeries is the product of a merger of a strong group of five of the leading manufacturing bakeries located in the largest cities between Regina and Victoria. The five units have a combined weekly capacity of about 1,500,000 loaves of bread and have an actual production of nearly 700,000 per week. The merging of these bakeries is along the line of the general movement towards concentration of capital and effort. The arrangement makes possible vast economies not only in buying but in money production as well. Furthermore it provides for research work which is carried on on a large scale, and which adds much to the facility of production on a large scale.

One factor which adds to the importance of this development is the decline in home baking due to the inability of the house wife to compete with large scale manufacturing. Much has been done by the departments of agriculture of various provinces in inaugurating scientific processes, and many experts have been occupied in the work of gratifying results. As a consequence it becomes less and less profitable to bake bread at home.

Canadian Bakeries Limited, own property in real estate, plant, mills, machinery, etc., appraised by the Canadian Appraisal Company at $1,964,055. Net current assets amounting to $235,000 bring the total up to $2,199,055. The company has $800,000 in first mortgage 20 years 6½ per cent. sinking fund gold bonds, 7 per cent. first cumulative sinking fund preferred stock to a total of $1,000,000 and 7 per cent. second cumulative preferred stock, totalling $1,000,000. There is further an issue of common stock without par value and a similar issue of non-voting class B shares, without par value, for conversion into 2nd preferred stock on the basis of 2 shares in class B. for 1 share preferred. Details of the capitalization of the business of the company follow:

Capitalization—

	Authorized	Outstand'g
Stock "A"	20,000 shs.	20,000 shs.
Stock "B"	20,000 shs.	
(No par value)		
1st pref.	$1,000,000	$1,000,000
2nd pref.	1,000,000	1,000,000
(Shares $100 each)		

Funded Debt—
First mortgage sinking fund bonds, 6½ per cent., due 1945, $800,000.

Dividend Record—
1st and 2nd preferred, 7 per cent. per annum, payable quarterly, March, June, Sept., and Dec.

Officers and Directors—
James Stewart, pres.; W. C. Shelly, gen. mgr.; F. W. Riddell, O. J. Mayhew, D. L. Cameron, E. R. Decary, H. A. Ross.

Market Record—

	1926 H	1926 L
Common	37¾	26½
1st preferred	96¼	92

Pure Gold Company

Dividend Paid Although Adverse Business Conditions Have Existed

Further profits have been made during the year in the operations of the Pure Gold Manufacturing Co., Ltd. This business was founded in 1877 to manufacture baking powder, flavoring extracts, spices, etc., and was incorporated in 1899 under the Ontario Act. The company has had its ups and downs during the past twenty years, but since 1901 has an unbroken dividend record, with the exception of the war period, when the directors considered it advisable to conserve their resources. Since that time dividends have been continuous:

The annual meeting of the company for the year and a half just closed was held recently, and the first profit and loss statement since the organization of the company was presented. While earnings fell short of dividend payments, the officers of the company stated that they considered the progress to have been quite satisfactory in view of adverse conditions existing. Sales during the fiscal year totaled approximately $1,600,000, against $1,500,000 for 1925, and $1,300,000 for the previous 12 months. July sales were nearly 10 per cent. over those of July last year. During the past year earnings from the coffee department were curtailed on account of the restrictions enforced by the Brazilian government. This condition has now been removed and the directors considered it advisable to pay $1.50 dividend, although it has not been entirely earned.

Capitalization—

	Authorized	Outstanding
Stock	60,000 shs.	50,000 shs.
(No par value)		

Funded Debt—
None.

Dividend Record—
Dividend, 50 cents per share paid April, Aug. and Dec. 1925; April and Aug. 1926.

Officers and Directors—
T. B. Greening, pres.; W. S. Greening, vice-pres.; C. R. Cherry, vice-pres.; J. C. Jamieson, A. C. Matthews, C. E. Spooner, F. H. Deacon.

Market Record—

	1925 H	1925 L	1926 H	1926 L
Stock	27	21	23½	17¼

Profit and Loss—

Period ending June 30—	1926
Bal. forward	$ 55,545
Net profits	82,744
	$138,289
Depreciation res.	10,500
Income tax	5,953
Dividends	100,000
Balance	$ 21,836

Copeland Flour

Adversely Affected by Keen Competition and Other Conditions

The Copeland Flour Mills have suffered along with most of the other milling companies from the adverse conditions under which the flour mills have been operating. Keen competition has been necessary to cut down the profits and put forth every effort to carry on business on a reasonably satisfactory scale. The operations of the Copeland Flour Mills commenced in 1920 when the company was established for the manufacture of high grade flour and feed. The initial capacity of the mill was 1,200 barrels per day of flour with about 35 tons of feed from the flour mill and about 100 tons of feed from the feed mill. In addition to the Midland plant the company owns and operate a reinforced storage elevator at Tilbury.

Like some of the other Lake ports Midland is strategically situated as a flour milling centre and it is anticipated that with improving conditions the business will be operated on a satisfactory scale.

An analysis of the financial report of the company shows that overhead costs, especially marketing, are high, owing to the relatively small turnover made. The capitalization of the company is as follows:

Capitalization—

	Authorized	Outstand'g
Common	$1,000,000	$800,000
Pref. 8 per cent. ...	1,000,000	700,000
(Par value $100)		

Funded Debt—
None.

Officers and Directors—
A. E. Copeland, James Playfair, R. J. Megaw.

Christie, Brown & Co.

Has Turned a Deficit Into a Surplus Which Promises to Expand

During the past year the operations of the Christie, Brown & Co. have carried out the promise indicated in the first annual statement of the company, issued a few months ago, when a slight surplus was shown after all charges were paid. An accumulating loss was turned into a surplus, which promises to expand gradually.

The current assets of Christie, Brown & Co., as disclosed by the last balance sheet, were $979,150, against current liabilities of $155,333, which makes a ratio of more than 5½ to 1. Depreciation charges of $100,000 were allowed against fixed assets, or at an annual rate of 5 per cent. The total funded debt consisting of first mortgage bonds were subsequently reduced by $200,000.

Last April the directors of the company decided upon an initial dividend of 30c. a share on the common stock, payable May 1. This is an annual rate of $1.20 per share. The regular quarterly dividend of 1¾ was declared on preferred shares, as the half year's business seemed to warrant putting the company's junior stock on a dividend basis.

Details of the capitalization of the company follow:

Capitalization—

	Authorized	Outstanding
Common	150,000 shs.	78,558 shs.
(Without nominal or par value.)		
Pref. cum. 7 p.c.	$1,000,000	$700,000
(Par value $100.)		

Funded Debt—

First mortgage 6 per cent. Bonds, due 1935,	$1,000,000	$800,000

Dividend Record—
Preferred 7 per cent. per annum, payable quarterly, Feb., May, August, and Nov. An initial dividend of 30 cents per share paid May 1, 1926, 30 cents per share paid Aug. 1.

Officers and Directors—
R. J. Christie, president; C. E. Edmonds, sec.-treas.; Reuben Harvey, F. K. Morrow, G. K. Morrow, Robt. Mallary, Jr., Rodney Hitt.

Profit and Loss—

	1925	†1926
Gross profit	$544,499	$344,612
Other income	12,826	....
	$557,325	$344,612
Expenses	$450,439	....
Net oper. profit	$106,886	$119,419
Bond interest	60,000	....
Pref. div.	33,766	....
Income tax	5,500	....
	$ 7,620	$ 32,659

†6 months ended June 30.

Market Record—

	1925 H.	1925 L.	1926 H.	1926 L.
Com.	65	31¼	63½	35
Pref.	118	109½	..	..

Viau Biscuit Corp.

A Newcomer in the Investment Field — Predominant in the Province of Quebec

The Viau Biscuit Corporation is a newcomer in Canadian investment circles. Early this year the first preferred shares in the corporation were publicly offered, and carried with them one share of common with every three shares of preferred.

The present company is the result of a consolidation of Viau and Frere and J. Dufresne, Ltd., the two largest biscuit and confectionery manufacturers in the province of Quebec. The former has been in operation for more than fifty years. The company operates in the province of Quebec and, for many years, has specialized in certain lines, which enjoy an almost exclusive market in that province. In addition, it has built up an extensive export trade. The company operates one biscuit factory in Montreal and another in Joliette, P. Q.; in addition, the corporation has various branches in the province of Quebec.

In addition to the first preferred and common shares, there is also investment interest in the corporation's bonds.

Capitalization—

	Authorized	Outstanding
Common	50,000 shs.	25,000 shs.
No par value.		
1st pref. cum.	$2,500,000	$1,000,000
2nd pref. cum.	1,000,000	470,000
7 per cent. shares $100 each.		

Funded Debt—
General mortgage 6½ per cent. bonds, dated Jan. 1926; due Jan. 1946, $400,000. First mortgage bonds, J. Dufresne, Ltd. 7 per cent., due serially, 1927 to 1932, $68,700. May be retired before maturity.

Dividend Record—
Dividends on first and second preferred 7 per cent. per annum, payable quarterly, Mar., June, Sept. and Dec. 1.

Officers and Directors—
Hon. J. L. Perron, pres.; T. Viau, vice-pres.; J. Dufresne, vice-pres.; J. B. De Guise, J. A. Cameron, sec.; R. L. Ellis, man. dir.; L. St. Mars, treas.

Market Record—

	1926 H	1926 L
Common	28	18
Preferred	89	85

RAILWAY EARNINGS

Canadian Pacific

	1926	1925	Change
Week end. Oct. 7	$4,660,000	$4,777,000	—$117,000

Canadian National

	1926	1925	Change
Week end. Oct. 7	$5,889,744	$5,788,613	+$101,131

FOOD

The present-day trend of merchandising is towards specialization.

The economic and efficient distribution of foodstuffs, the most important commodity in this or any other country, while having made tremendous strides in the past few years, is as yet in a comparative state of infancy.

The securities of well-managed and growing companies operating in this capacity have proven very satisfactory to investors.

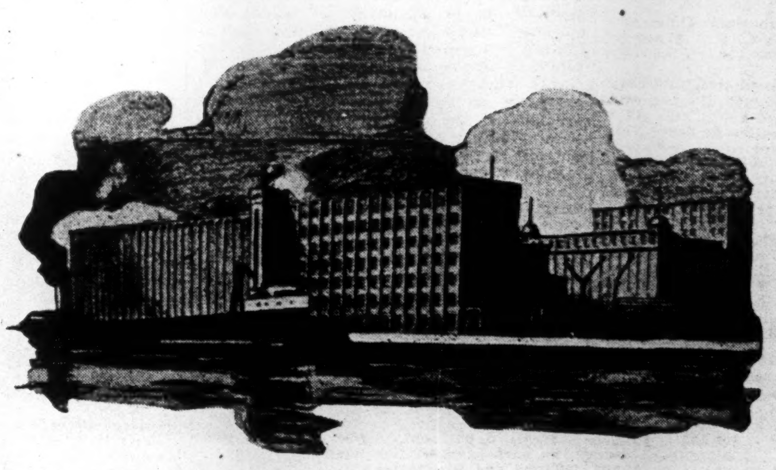
We have been associated with the underwriting of

Arnold Brothers, Limited 7% Preferred Stock
Eastern Canada Stores, Ltd. 7% Preferred Stock

J. A. G. CLARKE & CO.
Government, Municipal and Corporation Securities
Telephone: Adelaide 5184
330 Bay Street, Toronto

MAPLE LEAF MILLING CO., LIMITED

HEAD OFFICE TORONTO, ONT.



Port Colborne, Ontario, Mill—The largest in the British Empire—With a daily capacity of 14,000 barrels.

The Maple Leaf Milling Co., Ltd., owns and operates seven mills — at strategic locations throughout Canada — with a total daily capacity of 24,500 barrels of flour and 17,000 bags of feed.

MILLS AT
PORT COLBORNE, ONTARIO
TORONTO, ONTARIO
KENORA, ONTARIO
MEDICINE HAT, ALBERTA
BRANDON, MANITOBA
PETERBORO, ONTARIO
THOROLD, ONTARIO

Branch Offices and warehouses at principal points from Coast to Coast.

Directors:
JAMES STEWART, President.
C. W. BAND, Vice-President.
D. A. CAMPBELL, General Manager.
H. J. SYMINGTON,
E. R. DECARY
W. L. SHAW
R. COOPER,
D. L. CAMERON

"A World-Wide Organization"

Western Canada Flour

Keenly Competitive Markets Continue But Improvement in Operating Profits is Being Shown

Although keenly competitive conditions in the milling industry have continued and wheat prices generally have been above the level at which overseas buyers showed a desire of purchasing, the Western Canada Flour Mills Co. has been enjoying a fair share of distribution of its products in both the domestic and export markets. Under all the circumstances the results in terms of profits are regarded as satisfactory. For the year ending Sept. 1st, 1925, net profits amounted to $328,096, compared with $319,072 in the previous year. After the payment of bond interest, two quarterly dividends on the old common shares at 8 per cent. per annum, two quarterly dividends on the new preferred shares at 6½ per cent. per annum, and two quarterly dividends on the new no par common shares at the rate of $1.40 per annum, the balance carried forward was increased from $582,981 to $607,207.

Earlier in the present year important new financing was carried out by the company. The first mortgage bonds and the first and refunding mortgage bonds were retired in full, leaving the company's properties free of encumbrance. The preference shares of the company now constitute the senior security and the holder of each share of old common stock of $100 has now received in exchange $60 in preference stock and three shares of no par value common stock. The balance of the preference shares were sold and the proceeds applied in retiring the bonds referred to. Recent capital expenditures include the completion of an extension to the facilities at New Westminster and the building of additional warehouse accommodation at Calgary.

The Western Canada Flour Mills Company is the result of a consolidation of a group of well-established mills in strategic centres of the Dominion. The company was incorporated in 1905 in Ontario. It involved, at first, a consolidation of the lake Huron and Manitoba Milling Co., of Goderich, and the Kelly Milling Co., of Brandon. Large mills were later built at Winnipeg, Calgary and Edmonton. As a result of a long period of steady development and expansion, the company now has an aggregate productive capacity of 10,000 barrels of flour and 1,000 barrels of rolled oats and oatmeal per day.

Western Canada Flour has 100 country elevators, with a storage capacity of 2,800,000 bushels, and terminal elevators at the different mills with a storage capacity of 2,000,000 bushels, making a total of 4,800,000 bushels. Large warehouses also are maintained at the most important strategic milling centres of the country.

Current assets are shown in the balance sheet at $2,762,433 and current liabilities at $1,194,259, leaving net working capital of $1,632,729. Inventories are shown at $1,978,570 against $1,751,997 and accounts and bills receivable are $664,879 against $525,804.

Capitalization—

	Authorized	Outstanding
Common .. .. .. (No par value)	150,000 shs.	86,250 shs.
Pref. 6½ p.c. cum. (Par $100)	$3,000,000	$2,500,000

Dividend Record—
On the new preferred a dividend of 1⅝ per cent. each was paid June and Sept., 1926. On com. 35 cents per share was paid June and Sept., 1926. On the old stock 8 per cent. was paid to Mar., 1926, quarterly, 2 per cent. extra paid 1918-19-20. In 1918 and 1919, 10 per cent. Victory bond dividends were paid and 1920, 15 per cent. stock dividend.

Officers and Directors—
D. B. Hanna, president, Andrew Kelly, Jos. Wright, A. J. Mitchell, vice-pres., Sir John Aird, Noel Marshall, R. G. O. Thomson, sec., Senator G. H. Barnard and Major R. H. B. Ker, John Davidson, J. J. Page, gen. mgr., R. A. Pridham, treas.

Profit and Loss—

	1924	1925	1926
Profits	$341,868	$319,032	$328,096
Interest	59,660	54,294	47,245
	$282,208	$264,738	$280,851
Balance	234,121	x548,243	582,981
	$516,329	$812,981	$963,832
Dividends	230,000	230,000	256,625
Surplus	286,329	582,981	607,207
	$516,329	$812,981	$863,832

x—This includes provisions for reserves.

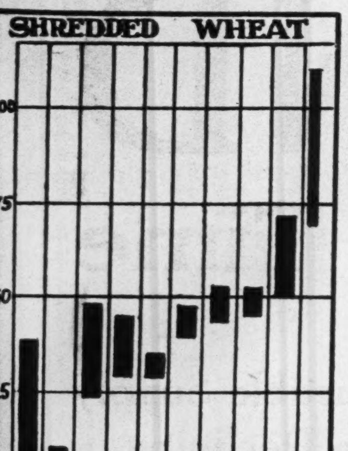
Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$543,844	$229,702	$858,434
1919	437,986	250,000	712,865
1920	414,724	250,000	548,335
1921	325,970	222,500	202,103
1922	318,125	230,000	219,668
1923	309,141	230,000	234,121
1924	341,868	230,000	286,329
1925	319,032	230,000	582,981
1926	328,096	256,625	607,207

Shredded Wheat

Shows Further Rise in Profits from Expanding Business

Still further improvement has been made in the affairs of the Shredded Wheat Company during the year just closed. The company which has plants at Niagara Falls, New York, and Niagara Falls, Ont., and which controls the Canadian Shredded Wheat Company, the Pacific Coast Shredded Wheat Company, the Shredded Wheat Company of London, England, and the Natural Food Company, has recently increased its European business as well as its domestic trade. The com-



pany has a very enviable record of growth and earnings during the past quarter of a century, and plants have recently been added in order to take care of the expanding business. Last year the earnings were $13.92 per share, or $8.92 after the deduction of good will. During 1924, the company earned $13.82 after the special reserve was set aside and $7.07 in 1923 after writing down goodwill to the extent of $100,000.

The statement last presented shows gross profits less operating expenses of $1,827,974 against $1,891,930 in 1924. The sum of $188,403 was set aside for depreciation and $247,819 was reserved for taxes, leaving a net profit of $1,391,762. Details of the company's statement follow:

Capitalization—

	Authorized	Outstanding
Common .... (No par value.)	400,000 shs.	400,000 shs.

Dividend Record—
Common was increased from 6 to 8 per cent. Jan., 1918, increased to 10 per cent. Jan., 1925. Paid bonus 1 per cent. in 1916; 2 per cent. 1917, 1922, 1923 and 1924.

Officers and Directors—
Alex. J. Porter, president; Jos. Henderson, O. L. Mills, G. A. Mitchell, vice-pres.; R. W. Pomeroy, de Lancey Rankine, P. A. Schoelkopf, C. M. Smith, W. C. Breed, W. H. Schneidan, sec.; C. H. Brown, Jr., treas.

Profit and Loss—

	1924	1925
Gross income	$1,891,226	$1,827,974
Depreciation	$ 176,950	$ 188,403
Res. for taxes	297,635	247,819
Net income	$1,416,641	$1,391,752
Bal. forward	1,470,383	1,852,608
Adjust. credit	....	6,955
	$2,887,024	$3,251,315
Dividends	1,000,000	1,000,000
Goodwill	....	500,000
Adv. reserve	34,416	....
	$1,852,608	$1,751,316

Earn. Rate—

Com.	13.82	8.91

Nine Years' Earnings—

Year	Gross Earnings	Dividends	Surplus
1917	$1,249,981	$775,000	$ 614,938
1918	1,439,828	775,000	766,724
1919	2,005,637	775,000	1,370,174
1920	1,094,533	775,000	1,450,762
1921	2,298,063	862,500	2,181,845
1922	2,088,441	950,000	1,755,403
1923	1,740,626	1,000,176	1,462,216
1924	1,891,226	1,000,000	1,852,608
1925	1,827,974	1,000,000	1,751,316

Market Record—

	1924 H.	1924 L.	1925 H.	1925 L.	1926 H.	1926 L.
Com.	140	135	171½	148	54	47½

Canada Biscuit

Savings Being Effected as Reorganization of Units is Worked Out

Substantial progress is reported by Canada Biscuit Company following the recent amalgamation. The constituent units are gradually being absorbed. It is the intention of the company to have each of the units sell under its original trade name, and to continue as such for at least some time. There is still considerable overlapping in the sales department. At the present time the salesmen of the original units are selling, in addition to their own products a small quantity of the products of the absorbed units. The advertising of the company has also been decentralized.

The company is at present working to improve its products through its excellent research laboratories. Changes in consumer tastes and buying habits are being studied. Increased sales are looked for. Chocolate sales, which are a large percentage of the total, have been very gratifying.

Muirhead's Cafeterias

In 25 Years Have Built Up One of Finest Restaurant Organizations

Muirhead's Cafeterias were established about 25 years ago and have developed into one of the finest restaurant organizations in Canada. Each unit in the chain is thoroughly modern and represents a type of restaurant which bids well to continue to expand as the community grows. The company has a restaurant on Queen Street, Toronto, one on Front Street, and has opened a new one on Adelaide Street with additional seating capacity of more than 400 chairs.

During the past 6 years the company, after making provision for depreciation, has earned sufficient to pay the preferred stock dividend more than twice. It is estimated that when the new restaurant is opened the preferred stock dividend should be earned at least four times each year. The preferred issue of 7½ per cent. sinking fund cumulative preferred shares, and 28,005 common shares was sold this year for the purpose of enlarging the business. The preferred stock was sold for $10 per share with a bonus of 1 share common with each 10 shares or with each 100 par value purchase. This represents a yield of 7½ per cent.

Capitalization—

	Authorized	Outstanding
Common ...... (No par value.)	100,000 shs.	28,005 shs.
Preferred 72% . (Par value $10.)	50,000 shs.	35,001 shs.

Funded Debt—
None.

Dividend Record—
On preferred payable Mar., July, and Nov. 1.

Profit and Loss—

Year end. Mar. 31	1926
Sales	$422,442
Cost of sales includ. oper. expenses	359,375
	$ 63,067
Gross profit, cigar counters	2,006
Sunday revenues	1,072
	$ 66,145
Depreciation	8,200
Net earnings	$ 57,945

Gunns, Limited

Plans for Complete Financial Reorganization Are Being Worked Out

The directors of Gunns Limited have decided on complete reorganization to enable the company to surmount financial difficulties. Shareholders have approved plans whereby the present company will be liquidated and a new company formed with a capitalization of $800,000 in place of the existing $3,212,850 of capital stock outstanding. This proposal, if it is adopted, means that the old common stock, of which $1,712,850 is outstanding, will be wiped out.

In 1921 and 1922 the company borrowed a total of $375,000 from Morris and Company. In April, 1923, the assets of Morris and Company were purchased by Armour and Company, which is now liquidating the Morris estate. This necessitates repayment of the sum borrowed. Gunns Limited had also borrowed some $250,000 additional, and repayment of this is also being pressed.

The present plan provides for the paying off of this $625,000 odd by a group of large holders of preference stock. The capitalization of the new company is to consist of $500,000 in preferred and $300,000 in new common, the former of which will go to the old preferred shareholders while the $300,000 of new common will go as a bonus to the group who pay off the $625,000 standing against the company. It is understood that as soon as the new company is formed the new control will issue debentures to repay the $625,000 to be advanced under this plan.

Gunns' last annual report, covering the fiscal year ended February 28, 1926, was a disappointing document. Previous reports had indicated slow but encouraging progress, but the statement referred to showed a net loss for the year of $282,696 after making allowance for depreciation, as compared with a profit of $139,701 for the previous year. There was a profit and loss deficit of $762,615.

Dividend Record—
On preferred paid until Feb. 1, 1921. May dividend passed and none paid since. On common payments aggregating 165% were made from date of incorporation to Feb., 1920.

Officers and Directors—
J. A. Gunn, president, D. W. Gunn, vice-president and managing director, H. Green, A. Gunn, D. R. Gunn, V. H. Munnecke, F. W. Waddell, R. D. Bell, N. L. C. Mather, J. K. Ingram, secretary and treasurer, H. Horton, superintendent, E. J. Joyce, purchasing agent.

Profit and Loss—
Net profits for the year ending Feb. 28, 1926, showed a loss, after depreciation, of $282,696, as against a profit of $139,701 in the previous year.

Willard's Chocolates

Has Recently Entered Milk Business in Big Way in Toronto

Willard's Chocolates, Ltd., was incorporated in Canada and took over, as of April, 1920, the assets and business of a company of the same name incorporated in 1913. The company owns and operates the following factories and plants in Toronto: Chocolate factory, capacity 40,000 lbs. daily, making a full line of solid chocolate products direct from the cocoa bean. Also a box-making plant and a printing plant for labels, etc. A confectionery factory, capacity 30,000 lbs. per day; ice-cream factory capacity 15,000 gallons, or 100,000 bricks per day. Also an artificical ice plant, with a daily capacity of 150,000 lbs. of ice. The company also operates a milk powder factory at Picton, with a capacity of 8,000 lbs. of milk powder per day. The company recently entered the milk business with full equipment and most up-to-date machinery.

The company carries on an extensive export business, shipping to England, Ireland, Scotland, United States, Australia, and other countries.

The Willard Co. has been engaged in the milk business since the first of the year. In taking this step no new financing was required, since the company is using the plant and a great deal of the equipment installed for the ice cream business. It is stated that Willards have one of the finest plants in America. Although no official figures are available on the milk business, the outlook is promising, according to officials of the company.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$1,500,100
Uref. cum. 8% .. (Par $100.)	1,250,000	528,000

Funded Debt—
The new company assumed the properties of the old company subject to the mortgages thereon, aggregating $224,500, due in annual instalments until 1930.

Dividend Record—
Dividends on preferred payable quarterly, Mar., June, Sept., and Dec.

Officers and Directors—
E. G. Robinson, pres. and gen. mgr.; J. D. Spackman, vice-pres. and treas.; W. Robinson, gen. supt.; E. J. Spackman, European mgr.; J. W. Mitchell.

Profit and Loss—

	1925
Net oper. profit	$ 90,662
Bal. forward	84,901
	$175,563
Depreciation res.	50,000
Taxes	4,542
Pref. dividends	43,108
Balance	$ 77,913

Moirs, Limited

One of the Largest Bakeries in the Maritimes as Well as Big Chocolate Producer

There was no investment interest in Moirs, Limited, until the beginning of 1926, when a new company was incorporated in Nova Scotia to acquire the business of the predecessor company bearing the same name; the latter was incorporated in 1903 as a continuation of the organization which had been in business in Halifax since 1842.

The company is one of the largest and best known producers of high grade chocolates and confectionery. It does also an extensive business in bread and cake, in addition to the manufacture and sale of biscuits of all kinds.

The plants, which are located in Halifax, have an aggregate floor space of some seven acres and have a capacity of 30,500 lbs. of chocolate and confectionery a day. The company controls the largest individual baking business in Halifax, with an output of 9,000 loaves, 2,500 lbs. of cake, and 4,000 lbs. of biscuits daily. The staff numbers about 1,100.

There are other properties, which include a modern paper box factory, with a daily capacity of 35,000 boxes; a wooden box mill; a chocolate grinding plant, and a generating station located near Halifax, with an installed capacity of 250 h.p.

The investment interest in the company centres on its bond issue, upon which it will earn during the current fiscal year over three and three-quarter times the annual interest requirements. The physical assets of the company have an appraised valuation, after depreciation, of $1,779,000 and the working capital at this time last year amounted to $762,114. The company had over $2,700 in assets for every $1,000 bond which was issued at the beginning of 1926.

The new company has the benefit of the many years' experience of the owners and the executives of the predecessor company, who either sit on the directorate or continue to be associated in an executive capacity with the company's operations.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$1,500,000

Funded Debt—
First mortgage sinking fund gold bonds, 6½ per cent., dated Jan. 1, 1926; due Jan. 1, 1946, $1,000,000.

Profit and Loss—
Net profits for the year ending Dec. 31, 1925, after deducting operating, maintenance and depreciation charges, amounted to $252,937. Current assets stood at $1,235,537.

Ontario Bakeries

The Ontario Bakeries, Ltd., which was an amalgamation of eleven bakeries situated throughout the province of Ontario, operating as one $5,000,000 unit, now has nineteen bakeries in eleven important centres, Guelph, Stratford, Woodstock, Simcoe, Tillsonburg, Dunnville, Barrie, Midland, Sudbury, North Bay and Trenton, having a total output of 180,000 loaves per week, in addition to fancy baking. This production will be steadily increased and costs reduced through centralized management.

By a reduction in the preferred stock of 30,000 shares the company has undertaken to decrease its capital stock. The new capitalization shows 20,000 preferred shares of $100 each, and 100,000 shares of common with no par value.

Capitalization—
Common, 100,000 shares, no par value.
Preferred, 20,000 shares, $100 each.

Funded Debt—
First mortgage, 6 per cent. bonds, due 1946, $2,500,000.

Securities of Companies Producing Foods

The important place industries producing foods occupy in the Dominion will be more readily realized from the following figures: There are 8,245 establishments producing foods, with capital investments of $341,000,000, and employing 66,000 hands. The wage bill amounts to $68,000,000 and the value of the products to over $675,000,000 each year. This is over 25% of the yearly industrial production of the whole Dominion.

The Food Companies are generally classified in a few main divisions, such as milling companies, bakery companies, dairy companies, packing companies and miscellaneous, including production of sugar, packaged and canned foods, etc., etc.

As is the case in every other branch of industry, there are some companies so well managed, producing such uniformly superior products and having such good records of past performance that the securities have come to be regarded as among the highest type of industrial securities. Among them might be included the securities of such well known companies as the following:—

Ogilvie Flour Mills Co., Limited
Lake of the Woods Milling Co., Limited
Maple Leaf Milling Co., Limited
International Milling Company
Canada Bread Co., Limited
Canadian Bakeries, Limited
City Dairy Co., Limited
and many others.

We are at all times prepared to buy, sell or quote prices in connection with securities of the companies producing foods.

YOUR ORDERS AND INQUIRIES ARE INVITED

A. E. AMES & CO.
Limited
Established 1889 Investment Securities
53 King Street, West
MONTREAL VICTORIA, B.C. TORONTO VANCOUVER NEW YORK
LONDON, ENG.

Canada's Great Biscuit Industry

—leads the Continent!

It produces a quality so distinctive that it will make a reputation for Canadian biscuits throughout the world.

Chief in this industry in point of size, and standard bearer in point of quality, is the Canada Biscuit Company.

Formed by consolidating six of the best known biscuit and candy manufacturers in the Dominion, the Canada Biscuit Company, Limited, has six great factories and fourteen warehouses located at the most advantageous points throughout the Dominion, serving their respective territories; employs 2,500 workers; and has assets of about $8,000,000.

Under the guidance of President and Managing Director Frank A. McCormick and his associates, this great Canadian enterprise is perfecting distribution of its high quality products and, already on the way to new record sales, may truly be said to be not only the largest in its field, but one of the great industries of Canada.

CANADA BISCUIT COMPANY Limited

Successors to
McCormick Mfg. Company, Limited, London
J. A. Marven Limited, Moncton
Montreal Biscuit Company, Limited, Montreal
D. S. Perrin & Company, Limited, London
The Paulin Chambers Company, Limited, Winnipeg
North West Biscuit Company, Limited, Edmonton
North West Flour and Feed Company, Edmonton

Officers and Directors:
FRANK A. McCORMICK, *President and Managing Director*
J. A. MARVEN, *Vice-President*
JOHN FARQUHARSON, *Vice-President*
C. C. WARDROPE, *Vice-President*
HARVEY SHAW, *Vice-President*
D. C. McNAUGHTON, *Secretary-Treasurer*
W. K. TROWER, *Director*

Head Office:
McCORMICK PLANT
LONDON, CANADA

Canadian Canners

Expanding Operations Since Reorganization and Now Are Among Foremost Producers of Food Products in Dominion

Canadian Canners, the largest canning firm in the British Empire, is gradually taking its place among the foremost producers of food products in the Dominion. To-day Canadian Canners pack about 90 per cent. of the canned goods in their lines used in the Dominion. 20,000 farmers produce raw materials for their numerous canneries, and their product is becoming better known year by year. Two years ago, a Toronto group completed the purchase of control of Dominion Canners through the common stock, and after that Dominion Canners which was the holding company controlling Canadian Canners, disappeared in the exchange of shares, and became Canadian Canners. The details of the reorganization need not be recounted here. The new company has started out upon the road to become a much greater organization than it has been in the past. Canadian Canners purchased all the business undertakings, goodwill, together with the property, assets, and rights, and have assumed all the liabilities of Dominion Canners, paying one share of preferred stock and one quarter share of common to each hundred appraisal value of its fixed property, including the appraised value of the fixed property of its subsidiaries and farms. The company has many useful and profitable subsidiaries, which supply two of the chief commodities used in the manufacture of canned goods, namely, cans and boxes. Seeds are grown and prepared for the growers, who supply vegetables for canning. They also have machine shops and laboratories for use in their work.

The various subsidiaries and controlled companies, along with those directly owned by the company, follow:

Owned

Canners Seeds. capital issued, $75,000; held by Canadian Canners, $75,000; growing seeds.

Dominion Macaroni, capital issued, $100,000; held by Canadian Canners, $100,000, manufacture macaroni.

Canners Machinery, capital issued, $75,000; held by Canadian Canners, $75,000; manufacture of machinery.

Can. Farm Improvement, held by Canadian Canners, $85,000; sold.

Controls

Dominion Canners, B. C., 7% cum. pref., capital issued, $597,600; held by Canadian Canners, $556,600; operates B. C. canning factories.

Dominion Canners, B. C., ordinary, capital issued, $422,100; held by Canadian Canners, $383,800; operates B. C. canning factories.

Pembroke Shook Mills, Ltd., capital issued $156,200; held by Canadian Canners, $117,200; making boxes.

Canning and preserving plants, farms, and other subsidiaries, follow:

Ontario: Aylmer, Amherstburg, Alvinston, Brighton, Beamsville, Burford, Burlington, Belle River, Bloomfield, Blenheim, Bowmanville, Chatham, Cobourg, Colborne, Consecon, Delhi, Dresden, Dunnville, Emo, Exeter, Fonthill, Forest, Frankford, Grimsby, Grafton, Hamilton, Hillier, Highgate, Jordan Station, Lakeport, Loiselleville, Merlin, Niagara-on-the-Lake, Napanee, Northport, Orono, Oshawa, Picton, Port Hope, Port Burwell, Port Dalhousie, Port Milford, Petrolia, Rednersville, Ridgetown, Ridgeville, Simcoe, St. Catharines, Strathroy, St. Davids, Sarnia, Stoney Point, Tilbury, Tecumseh, Thamesville, Vittoria, Vienna, Vineland, Waterford, Waterdown, Wallaceburg, Wellington, West Lorne, West Lake.

Quebec: St. Eustache, St. Isidore, St. Dorothee.

British Columbia: Dominion Canners, B. C., Ltd., (7 factories controlled).

Farms

Ontario: Counties: Brant, Elgin, Huron, Hastings, Lincoln, Lambton, Northumberland, Prince Edward, Rainy River District.

Subsidiaries

Machine shop, Aylmer, Ont.

Canners Machinery, Ltd., Brighton, Ont.

Cider and vinegar plant, Brighton, Ont.

Chemical laboratory and household science, Brighton, Ont.

Electrical and engineering department, Brighton, Ont.

Bembroke Shook Mills, Ltd., Pembroke, Ont. (controlled).

Can-making plant, Simcoe, Ont.

Machine shop, Simcoe, Ont.

Dominion Macaroni Co., Ltd., St. Catharines, Ont.

Canners Seeds, Ltd., Wellington, Ont.

Capitalization—

	Authorized	Outstanding
Common	$2,500,000	$2,282,412
Pref. 7 per cent. cum.	10,000,000	9,114,282

(Shares $100 each)

Funded Debt—

General mortgage bonds, 6 per cent., due 1950, 2,640,000; 1st mortgage sinking fund bonds of Dominion of Canada, 6 per cent. due 1940, $1,369,000.

Dividend Record—

Preferred 7 per cent. per annum, payable quarterly, Jan., Apr., July and Oct.; 2¼ per cent. paid July 2, 1925, 1 per cent. paid Jan. 15, Apr. and July, 1926. On preferred stock of predecessor company dividends were paid as follows: 1¾ per cent. quarterly from 1910 to Apr. 1915, inclusive; none thereafter until 1¾ per cent. Apr. 1917, and regularly thereafter. Apr. 1918, accumulated dividends of 12¼ per cent. paid, half in cash and half in War Loan bonds. No dividends paid on common. On common of predecessor company 6 per cent. was paid Feb. 1913, 1½ per cent. quarterly Apr. 1913 to Apr. 1914 inclusive; none thereafter.

Officers and Directors—

J. J. Nairn, pres.; R. L. Innes, 1st vice-pres.; W. R. Drynan, 2nd vice-pres. and gen mgr.; Mark. Bredin, F. R. Lalor, Arthur Allen, W. L. Innes, W. G. Lumbers, W. N. McDougall, Avern Pardoe, chairman of board; E. A. Pearce.

Profit and Loss—

	1924	1925
Profits	$704,264	$722,424
Bond interest	85,254	83,893
Int. long term debt	158,536	158,159
Net profit	$460,474	$480,372
Prev. balance	350,648	811,123
	$811,122	1,291,495
Pref. div.	......	295,874
Surplus	$811,122	$995,621
Earn. Rate per cent. on pref.	5.17	5.27

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
(Dominion Canners)			
1921	$ 85,241	$160,342	$1,873,286
1922	267,040	160,342	1,900,784
(Canadian Canners)			
1923	535,070	......	350,648
1924	704,265	......	811,123
1925	722,424	295,874	995,621

Market Record—

	1925 H	1925 L	1926 H	1926 L
Common	15	11½	15	12
Preferred	69½	56	70	60
Bonds	96¼	90	100	94
Dominion Canners—				
Bonds	102½	99½	101	100¼

Gosse Packing

A Newcomer in Investment Circles Whose Earnings This Year Will Show Increase

The Gosse Packing Company was incorporated this year and has acquired the property and business of Gosse-Millerd, Limited, one of the largest salmon packing companies in British Columbia. The company owns and operates ten plants, together with a large fleet of fishing vessels. Its business consists in the production and sale of canned salmon, canned pilchards, dry salt salmon, dry herring, fish meal and fish oil. Recently the company increased its fish oil capacity; this product is in good demand and the increased output will make itself felt in the earnings, for there is a good profit in this branch of the business.

In order to finance the transfer of the property preferred shares, carrying a bonus of common stock, were offered the public this year. Although the property changed hands, the management remains with those who have been responsible for bringing it up to its present outstanding position. Earnings averaged over the past three years have been equal to over twice the preferred dividend requirements, but latest reports from the Pacific coast indicate that there is a larger run of salmon this year and, with the additional plant which the Gosse Packing has constructed, increased earnings during the current year are assured.

It is expected that the profit which the company will realize on the current year's production of fish meal and fish oil will alone be more than sufficient to meet the dividends on the preferred stock.

Capitalization—

	Authorized	Outstanding
Common .. .. .. (No par value.)	20,000 shs.	20,000 shs.
Pref. 7% cum. ... (Par $100.)	$3,000,000	$1,500,000

Funded Debt—

None.

Dividend Record—

Dividends on preferred payable quarterly. May, Aug., Nov. and Feb. 1.

Profit and Loss—

Earnings of the company for the past three years after deducting maintenance and repairs, and available for depreciation, interest, income tax and dividends, have been as follows:

Year ended Feb. 28, 1924	$110,439
Year ended Feb. 28, 1025	183,157
Year ended Feb. 28, 1926	405,223
Average for 3 years	$232,940

P. Burns and Co.

Big Packing Business Has Come Through the Depression Well

Owing to the general improvement in business conditions throughout the west induced by betterment in the farming situation, the business of the P. Burns Co. has been benefiting steadily. The company was established in 1909, although the business commenced operations in1890 at Calgary. While primarily a meat packing establishment, P. Burns & Company has many different lines. In addition to the big modern packing plant at Calgary, there are plants at Edmonton and Vancouver. Further, the company conducts a retail business through more than 94 retail branches located in the larger cities and towns of Alberta and British Columbia. It owns also large tracts of farm lands in Alberta as well as buildings and real estate in Calgary, Edmonton, Lethbridge and elsewhere. Then the company deals in such products as hides, tallow, bone, fertilizers, as well as in butter, eggs, poultry and fish.

Although the packing industry in Canada has not been particularly profitable during the past three or four years, owing to keen competition, the P. Burns Company has been among the most prosperous. Most of the trouble in the industry as a whole has been in the export field, while the P. Burns Company has been concentrating on home business. The general depression in the west, however, has affected all such institutions. Details of the capitalization and finances follow:

Capitalization—

	Authorized	Outstand'g
Preferred	$4,000,000	$1,500,000
Common	5,000,000	5,000,000

Funded Debt—

First mortgage 6½ per cent. sinking fund gold bonds, due 1943, outstanding $3,382,077.

Officers and Directors—

P. Burns, pres.; W. J. Wilson, vice-pres.; W. E. Corlet, sec.; N. Hindsley, treas.; J. Burns, gen. mgr.; Wm. Toole, W. S. Hodgens.

Current assets as at June 30, 1924, were $5,648,810.

Fixed assets, $7,870,201, and total assets, $14,960,472.

Net profits, available for bond interest and discount, taxes and depreciation:

Year ended Sept. 30—			
1912	$1,019,219	1916	$ 780,820
1913	841,384	1917	1,135,768
1914	573,467	1918	834,166
1915	418,933	1919	636,986
Year ended June 30—			
*1920	$908,447	1922	$ 703,151
x1921	715,838	1923, 1924, and 1925 not reported.	

*For 9 months.
x Loss.

Harris Abattoir

The Harris Abattoir Co., Ltd., was incorporated in March, 1901, in Ontario. The company owns two packing houses in Toronto, and distributing branches in Toronto, Sudbury, Sault Ste. Marie, Windsor, Ottawa, Quebec, Montreal, Sydney, Halifax, St. John, and Charlottetown. Also owns 4,040 shares of stock of Union Stock Yards, of Toronto, and in March, 1918, the company purchased 51 per cent. of the stock of Gordon, Ironsides & Fares, Ltd.

Capitalization—

	Authorized	Outstanding
Stock	$5,000,000	$2,160,500

Par $100. All privately held.

Funded Debt—

First sinking fund gold bonds, dated Feb. 1, 1913 due Feb. 1, 1928, $493,800.

Officers and Directors—

W. T. Harris, pres. and sales mgr.; James Harris, vice-pres. and man. dir.; J. S. McLean, sec. and treas.; S. G. Brock, asst. sec.; S. E. Anglin, Joseph Harris.

William Paterson Co.

The William Paterson Company, biscuit and candy manufacturers at Brantford, was established in 1863 by H. B. Leeming and William Paterson. Announcement has been made of the reorganization of the company and steps are being taken to secure new capital to permit of operations being resumed. It is hoped to bring operations up to normal capacity in the near future. John S. Dowling becomes president and W. F. Paterson, secretary-treasurer.

Lake of the Woods Milling Company Limited

and Subsidiary Companies

Combined Balance Sheet as at August 31, 1926

The Balance Sheet of the Company shows an advance in earnings over the previous year. For the year ended August 31st, 1926, operating profits amounted to $271,791.82 as against $193,486 in 1925.

After providing for the usual dividends, Surplus Account stands at $679,819.05.

Following Dividends were paid:

Dividend Preferred Stock for year $105,000.00

Dividend Common Stock for year 420,000.00

The plants have been kept in an efficient state, and in view of the large amount already at credit of Reserve for Depreciation ($1,686,611) no further addition was made to it.

The business of The Dominion Flour Mills, purchased during the year, has shown a clear profit after payment of all charges and expenses.

NEWFOUNDLAND

The Greatest Fishing Section of All Time

Nature's Greatest Fish Preserve

WHILE many world famous fisheries are being gradually depleted, and while once important species are virtually disappearing from many fishing grounds, Newfoundland's fisheries remain unchanged and undepleted after an exploitation of four hundred years.

The fisheries provide the main industry of the people of Newfoundland, and its main source of revenue, and despite the changes and chances to which such a venture is naturally exposed, its fluctuations have been inconsiderable. All around the 6,000 miles of its coast line, and the 2,000 miles of Labrador coastline the waters teem with fish, while a little to the south-east is the submarine plateau of the Grand Banks 37,000 square miles in extent that is nature's marine feeding ground. The pure, cold and uncontaminated waters supply an inexhaustible storehouse of marine food.

A Good Catch

The Never Failing Source of Cod Fish Products

THE main resource of this great fishing ground is the Cod, one of the premier food fish, and nowhere else has it the quality of the fish caught in these icy waters. With the gradual depletion of other fishing grounds, Newfoundland is steadily gaining in importance and its cod fish is a well-known product on the markets of Europe, South America, Canada, the United States and the West Indies. Over the past seven year period 1917-1923 the average annual export of cured cod fish was 1,600,000 quintals of 112 pounds to the quintal. In 1923 the revenue from this alone equalled between seven and eight million dollars.

In addition to the trade in dried cod fish there is a considerable trade in the fresh fish. In recent years, too, the sale of dried and boned cod in paper board cartons has become a substantial industry.

Of the by-products of the cod fisheries the Cod liver oil industry is becoming of great and growing importance, as Newfoundland oil is conceded by scientists to be of the very highest quality. This industry returns to the country a revenue of close to a million dollars a year.

An Inexhaustible Supply to Meet a Declining Production

WHILE many other fisheries are feeling the effect of intensive fishing, and corrupted waters, Newfoundland is still assured of an inexhaustible supply. Four hundred years of exploitation of the products of these waters have failed to affect their output in the slightest degree.

While Cod is the premier item it is by no means the only one, Herring both fresh, frozen and smoked are an important item, so too, smelt Caplan and Turbot.

Halibut that is now brought from the Pacific Coast of Canada can be more economically secured from Newfoundland. There is a virtually limitless supply, and modern methods of cold storage have assured the success of this industry. The canning of Lobster, Cod, Halibut and Salmon has become an important industry. There is a steady and growing market, too, for squid, eels and mussels.

The rivers and lakes of Newfoundland abound with fresh water fish, that provide an abundance of sport for the tourist and sportsman.

B.C. Fishing & Packing Co.

Last Year's Pack Was Smaller But Prices Were More Satisfactory and Profits Accordingly Higher Are Being Shown

There is improvement in sight in the operation of the British Columbia Fishing and Packing Company, although the 1925 pack was not as large as that of 1924. The drop in output, however, was more than made up for by increased prices received during the year. Efforts are being put forth to revive the salmon fishing industry of British Columbia, and this is expected to work out in favor of the company. During the year the Wallace Fisheries, Limited, was added to the British Columbia Fishing and Packing Company by way of merger. The union was arranged by exchange of securities, B. C. Fishing handing over some $500,000 par value of its issued capital stock, while the other company paid $200,000 in cash to the treasury of the merger.

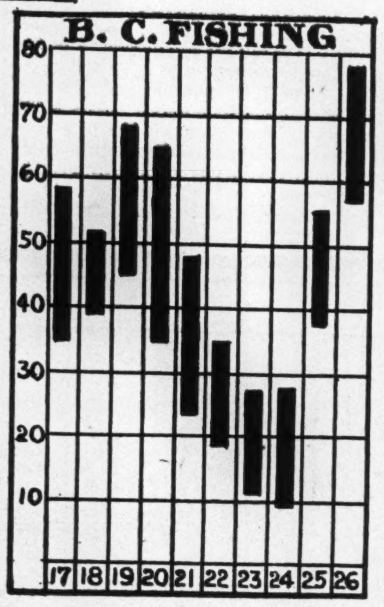
B. C. Fishing is now in an exceptionally strong liquid position. There is more than $2,000,000 working capital, or about $50 per share of stock outstanding, there is neither bank nor bonded indebtedness, since the $4,500,000 plant of the company is entirely paid for. Although there was a substantial carry over of the 1924 pack, this has been gradually worn down as a result of the increased demand in the United Kingdom, resulting from poor grade Siberian product. Not only is the surplus carried over taken care of, but the 1925 pack was taken up long before it was ready at a higher average price level. The Australian treaty with Canada giving British Columbia preference of $1.50 per case, is also a factor in the situation. Foreign markets in general are better, and the outlook is that they will improve gradually during the next year. The capital stock of British Columbia Fishing is on a 5 per cent. basis.

Capitalization—

	Authorized	Outstanding
Com.	$5,000,000	$4,291,800

Dividend Record—
Initial dividend of 1¾ per cent. paid Nov., 1914; May and Nov., 1915, 1¾ per cent. each; May and Nov., 1916, and May and Nov., 1917, 2 per cent. each; May, 1918, 2½ per cent.; Aug. and Nov., 1918, and Feb. and May, 1919, 1¼ per cent. each; Aug., 1919, to May, 1921, 1½ per cent. quarterly. Passed Aug., 1921. Resumed by declaration of 5 per cent. per annum, payable 1¼ per cent. quarterly, Mar., June, Sept. and Dec., 1926.

Funded Debt—
None.



Officers and Directors—
A. Jarvis, Sr., pres.; C. Sweeny, Sir H. M. Pellatt, J. M. Whitehead, gen. mgr.; E. E. Evans, E. W. Rollins, M. Workman, G. H. Smithers, Hon. A. Flumerfelt, vice-pres.; Milton L. Hersey, H. H. Morris, L. Doucet, sec.-treas.; C. Thomas, asst. gen. mgr.

Profit and Loss—

	1924	1925
Profits	$129,153	$578,654
Deprec. and taxes	103,539	224,434
Net earnings	$ 25,614	$354,220
Prev. surplus	*123,312	5,223
	*$ 97,698	$359,443
Excess val. of canneries	102,921	......
	$ 5,223	$359,443
Insur. reserve	......	102,922
	$ 5,223	$256,521

* Deficit.

Earn. Rate—

	1924	1925
Stock	0.60%	8.25%

From January 1st, 1921, the British Columbia Fishing and Packing Company ceased to be a holding company of the stock of the British Columbia Packers' Association and became an operating company.

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Stock	25	8	64⅝	19	78	57¼

Robin Jones & Whitman

Robin, Jones and Whitman does both a domestic and an export business; dried fish is exported, whilst boneless fish is sold all over Canada. The company operates about 30 fishing and trading establishments in the Maritime Provinces and in Quebec. The general stores are operated chiefly along the Gaspe coast.

The total sales for the first half of the current fiscal year show an increase as compared with last year. This increase is understood to be in the neighborhood of nine per cent. The export business is running at about the same level as last year, and the domestic business in boneless fish has shown a nice increase.

The company's head office is at Halifax, N. S. The inception of the firm dates back to 1766, when the Charles Robin Company was founded in England to conduct trading and fishing operations. In 1910 the firm, as at present constituted, was organized as an amalgamation with the A. G. Jones Company, which was established in 1835 and which had a wide connection in the West Indies. For over one hundred years the company's product has been a standard in the south Brazil trade.

Capitalization—

	Authorized	Outstanding
Common	$850,000	$562,800
Preference	900,000	848,000

Shares $100 each.

Funded Debt—

1st mortgage 6 per cent. bonds due 1930	250,000	187,300

Dividend Record—
Preferred 6 per cent per annum. Deferred for quarter beginning Apr. 1, 1923; 3 per cent. paid May 1, 1925, out of profits for year Mar. 31, 1925; 6 per cent. paid out of profits for year ending Mar. 31, 1926, bringing dividends up to Sept. 30, 1924. Common dividend increased from 4 to 6 per cent. for quarter beginning May, 1918. Last paid March 31, 1921.

Officers and Directors—
A. E. Jones, pres.; A. King, vice-pres.; A. H. Whitman, managing director; D. R. Clarke, A. N. Jones.

Profit and Loss—

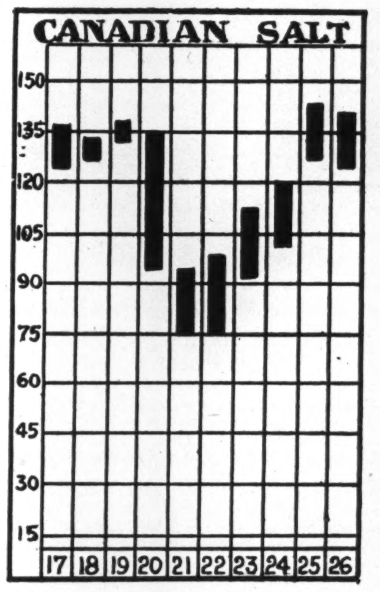
To March—	1924	1925	1296
Net profit	x$ 2,873	$39,544	$53,617
Pref. div.	......	25,440	50,880
Income tax	......	3,942	5,419
	2,873	10,162	x2,682
Prev. balance	36,210	33,336	43,498
	$33,337	$43,498	$40,816

x—Loss.

Canadian Salt

Price Cutting Due to Over-production Has Largely Adjusted Itself

The largest Canadian producer of salt, and the only firm engaged in the production of bleaching powder and caustic soda is the Canadian Salt Company, with plants located at Windsor and Sandwich, Ontario. The company has an uninterrupted dividend record of more than thirty years, and earnings have always been greater than the dividend requirements. The company also owns and operates the Canadian Salt Equipment Company, which was incorporated in 1923. The stock is closely held; at the end of March last year there were only 182 shareholders owning the 12,000 common shares.



The condition of over-production which has existed for some time in the salt industry, accompanied by price cutting, is gradually adjusting itself. In an attempt to cut costs by increasing production, the ability to absorb the extra tonnage was not taken into account. The use of salt is pretty well standardized, and the amount produced is much the same year after year, with the exception of this attempt to increase output to cut costs.

Last year the shareholders of the company authorized an issue of $1,200,000 6 per cent. first mortgage twenty year sinking fund bonds. This will help promote the company's policy of expansion to meet the demand for its chemical output, which is used largely in the pulp and paper industry. The bonds will be retired at the rate of 1½ per cent. annually from 1927 on.

Capitalization—

	Authorized	Outstand'g
Capital stock	$1,500,000	$1,200,000

Funded Debt—
Six per cent. 1st mortgage sinking fund gold bonds, due September 1, 1934, interest payable 1st March, 1st Sept., redeemable at $105, $288,000; general mortgage 7 per cent. bonds due May 1, 1941, $637,000.

Dividend Record—
Eight per cent. per annum payable 1st January, April, July and October.

Officers and Directors—
Sir Thos. Tait, pres.; W. F. Angus, vice-pres.; Rt.-Hon. Lord Shaughnessy, F. S. McGraw, W. Mulock, K.C., H. O. Wilson, sec.; G. M. Duck, gen. mgr.

Profit and Loss—

	1924	1925
Profits	$302,984	$346,411
Bond interest	70,970	63,840
Bond discount	3,546	3,546
Written off	2,300	2,300
Depreciation	83,376	91,826
Income tax res.	15,835	20,111
Net profit	126,957	164,788
Dvidends	96,000	96,000
Surplus	30,957	68,788
Prev. bal.	283,901	314,859
	$314,858	$383,647
Earn. rate cap. stock	10.50%	13.73%

Nine Years' Earnings—

Year	Earn's	Dividends	Surplus
1917	$101,090	$ 64,000	$451,006
1918	223,342	64,000	523,575
1919	226,881	64,000	595,858
1920	202,298	488,000	206,841
1921	228,040	96,000	208,182
1922	284,916	96,000	249,823
1923	299,817	96,000	283,901
1924	302,984	96,000	314,858
1925	346,411	96,000	383,647

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com.	100	108½	154½	112	145	124

Canada-West Indies

Newly Formed Company to Benefit Through Trade Treaty

The Canada-West India Products Corporation was recently organized and acquired the Canadian Suppliers Company and the West India Fruit Company. The Canada-West India Products is a trading company and buys tropical products in the West Indies for sale in Canada, and also buys commodities in Canada for sale in the West Indies. Thus, the company may eventually operate its own ships.

Recently, a $300,000 bond issue was offered the public. The security for the bonds consists of the shares of the constituent companies. Earnings last year of the two component companies were sufficient, before depreciation, to meet the interest requirements of the new issue of bonds. The two predecessor companies were valued at $450,000 as growing concerns.

The merger of the two companies and the new financing will primarily provide funds for working capital and will allow also for the extension of the business throughout the West Indies. Modern packing plants are to be erected in Jamaica to enable the proper grading and packing of various fruits and the canning and preserving of other fruits.

All the West Indian products handled by the company enjoy, under the recent Canadian West India trade treaty, a preference duty. In addition, the company represents in the island of Jamaica more than 30 well established Canadian exporters and manufacturers.

With the ratification of the West India Trade Treaty, the company intends to trade in all the Canadian imports and exports from the West Indies; due to the completion of trade treaty, the business between the Dominion and the West Indies should show a marked increased.

Capitalization—

	Authorized	To be Issued
Common	200,000 shs.	200,000 shs.
(No par value. 150,000 shares held in escrow as per contract).		
7% pref. non-cum.	$300,000	$150,000
(Par value $25.)		

Funded Debt—
Collateral gold bonds 7%, dated Sept., 1926, due Sept., 1931, $300,000.

Officers and Directors—
P. R. Cumming, Jamaica, E. A. Ouimet, Montreal; Lue Rochefort, Montreal; C. Hart, Montreal; F. M. Ross, St. John; W. A. Cook, Montreal.

William Davies Company

Much Interest Centres in Value of Shares on Which There is a Big Accumulation of Dividends

Disturbed labor conditions in England affecting the buying power of a great portion of the population have protracted the period of depression in the Canadian packing industry, which depends to a large extent for prosperity on the export market. Under the circumstances the profits of the William Davies Company have, of course, been affected, and the company's showing has been something of a disappointment to those who expected that the rise in the value of the company's securities of a year ago would be continued. The 1925 report showed profits somewhat less than for 1924, although the surplus for the year was somewhat larger. The report for the current year will be looked for with considerable interest.

The company expanded its facilities greatly during the war and this was accompanied by new financing. No dividends have been paid since 1921 and there are accumulated dividends on the Class A shares which bear interest at $4 per annum, amounting to $21. This, considered in relation to the market price around 30 opens up interesting speculative possibilities.

It is understood that the company has been following a policy of buying in its own shares, possibly with a view to a financial reorganization, and this policy is evidently responsible for substantial items for special investment appearing in the balance sheet.

While earnings of the company have not been large a strong position has been maintained and it is probable that there has been building of reserves out of earnings. Bank loans have been reduced since 1921 from $4,513,285 to $483,445 in 1925, and it is expected that this year these will be wiped out entirely. Bond indebtedness has been reduced from $3,113,500 in 1923 to $2,275,000 in 1925, while net working capital has been increased from $305,595 in 1921 to $2,309,150 and there has been substantial writing off of plant and plant extension.

Capitalization—

	Authorized	Outstanding
Class A	100,000 sh.	91,000 sh.
Class B	60,000 sh.	60,000 sh.

No par value.

Class "A" shares are entitled to cumulative dividends at rate of $4 per share per annum in priority to class "B" shares, after which payment cumulative dividends of $5 per share may be declared and paid on class "B" shares. Thereafter any further dividend disbursements are to be made to holders of classes "A" and "B" share for share, without distinction. In the event of liquidation or dissolution, class "A" shares shall be entitled to the sum of $50 per share and unpaid accrued dividends before class "B" shares get anything, then class "B" will be entitled to receive $50 per share and unpaid accrued dividends at the rate of 5 per cent. per annum, any assets remaining to be distributed to holders of both classes, share for share, without distinction. Class "A" stock has voting power on the same basis as class "B" stock only when there are accrued dividends amounting to $2 per share or more.

Funded Debt—
First mortgage, 20 year sinking fund six per cent. bonds due Nov. 1, 1942. Outstanding $2,275,000. An additional $1,500,000 called series "B" authorized but not issued.

Officers and Directors
E. C. Fox, pres.; F. O. Mitchell, vice-pres.; J. T. Agar, vice-pres. and treas.; R. N. Watt, C. S. Eaton, F. J. Humphrey, J. L. Wright, sec.

Profit and Loss—

	1924	1925
Profits	$ 687,677	$ 656,469
Depreciation	282,278	250.576
Interest	195,109	186,189
Surplus for year	$ 210,290	$ 219,704
Prev. surplus	3,082,109	3,292,399
	$3,292,399	$3,512,103

Earn. Rate—

	1924	1925
Class "A" shares	2.31%	2.41%

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1921	*$686,476	$300,000	$4,071,406
1922	447,685	......	3,711,058
1923	21,919	......	3,082,109
1924	687,677	......	3,292,399
1925	656,470	......	3,512,103

*Deficit.

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Class A	20	11¾	37¾	24	37	27

Canadian Packing

The Canadian Packing Co., Ltd., which is controlled by Allied Packers, Inc., was incorporated in June, 1919, in Canada, to own and operate the five plants of Matthews-Blackwell, Ltd., located in Canada. The business of the company includes pork and beef packing and handling of produce. Plants are located at Toronto, Peterborough and Brantford, Ont.; Montreal and Hull, Que. Branch houses are located at Winnipeg, Fort William, Sudbury and Ottawa, Ont.; Sydney, St. John, Charlottetown and Halifax.

Capitalization—

	Authorized	Outstanding
Stock	$4,500,000	$4,500,000

Par $100.

In December, 1924, the authorized stock was reduced from $10,000,000 (issued $9,000,000) by cancellation of 55,000 shares, par $100, of which 45,000 shares were owned by Allied Packers, Inc. The sum of $4,146,499, representing stock held by Allied Packers, Inc., was paid to that company in part by the issue of $3,000,000 Canadian Packing Co., 7% gold notes. Of the balance, $714,676 was owed at the time of cancellation to Canadian Packing Co. by Allied Packers, Inc., and the remaining $431,823 was to be paid upon demand by the holders of the cancelled shares.

Funded Debt—
Gold notes 7%, due June, 1940, $3,000,000. All owned by Allied Packers, Inc.

Dividend Record—
Dividends at the rate of six per cent. per annum are being paid quarterly, Feb., May, Aug. and Nov. 1.

Officers and Directors—
T. F. Matthews, pres. and mgr. dir.; J. A. Hawkinson, vice-pres.; R. G. Dobier, vice-pres.; J. A. Law, vice-pres.; Andrew Park, sec. and treas.; J. A. McLean, J. G. Matthews, J. Paulson, R. E. Lee Pagels, F. R. Wharton, F. S. Snyder, G. Matthews, A. L. Arthur, L. F. Grauer, Robert Shiell.

Financial Position—
Total assets as at October 31, 1925, were $8,924,453. Of this real estate, buildings, plant, equipment, etc., totalled $4,179,406; inventories, $2,032,498, and investments in subsidiary companies, $1,399,596.

Stewart Terminals

The Stewart Terminals, Ltd., which was incorporated January, 1923, in Canada, owns a terminal elevator at Port Arthur, located on 6.72 acres of land on the waterfront. On this site there was built in 1923 a concrete loading dock; concrete workhouse fully equipped with cleaning and sorting machinery, with storage capacity of 300,000 bushels and a fireproof concrete elevator storage building, having a capacity of about 1,200,000 bushels.

Capitalization—

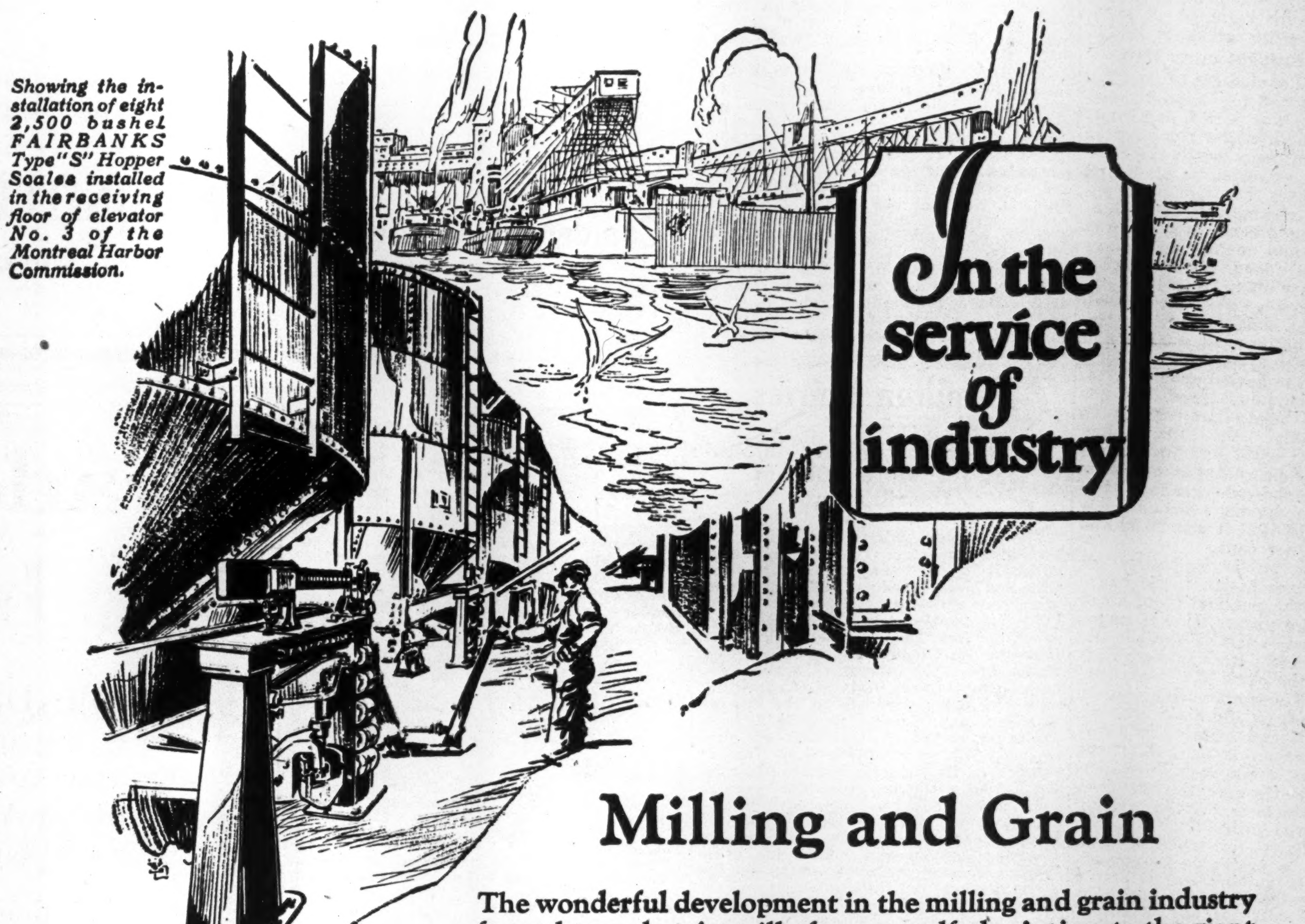
	Authorized	Outstanding
Stock	$1,000,000	$1,000,000

Par $100.

Funded Debt—
First mortgage serial gold 6½% bonds, due 1926 to 1933, $490,000.

Officers and Directors—
James Stewart, pres.; A. C. Michael, vice-pres.; H. C. McGregor, sec.-treas.

Showing the installation of eight 2,500 bushel FAIRBANKS Type "S" Hopper Scales installed in the receiving floor of elevator No. 3 of the Montreal Harbor Commission.



Milling and Grain

The wonderful development in the milling and grain industry from the crude grist mill of our grandfather's time to the giant flour mill and huge grain elevator of to-day may be attributed largely to the introduction of modern machinery. In the development of such machinery The Canadian Fairbanks-Morse Company has played a prominent part.

Weighing is a highly important operation in the handling of grain, and ever since Thaddeus Fairbanks invented the first scale a century ago this company has pioneered all new developments in scale design. Fairbanks Dump Scales, Hopper Scales and Automatic Bagging Scales have been developed specially for this industry, and our portable platform, wagon and auto truck scales are also widely used.

Fairbanks-Morse engines are also giving satisfactory service to this industry. They are used extensively on the prairies for driving grain elevators, and provide power for flour and feed mills throughout the country.

It is also a part of our service to select for this and all other branches of industry and to stock in our eleven branches those lines of machinery and supplies which will give the greatest satisfaction.

Fairbanks Valves
Portable Platform Scales
Auto Bagging Scales
Warehouse Scales
Hopper Scales Dump Scales
Wagon Scales Auto Truck Scales. Railroad Track Scales. Grain Testers
Fairbanks-Morse Oil Engines. Pumps
Motors. Generators
Pipe & Fittings
Steam Specialties
Transmission Equipment
Grafton & Knight Leather Belting
Dick's Balata Belting
Solid Woven Cotton Belting
Elevator Buckets
Sprocket. Chains
Trucks. Yale Hoists
Shop Supplies
Automotive Equipment

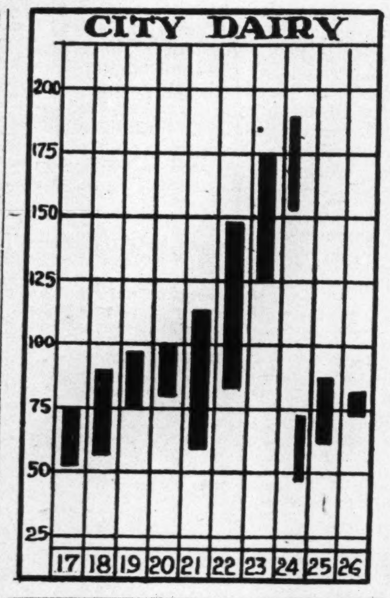
527

The CANADIAN
Fairbanks-Morse
COMPANY-Limited
St. John - Quebec - Montreal - Ottawa - Toronto - Windsor - Winnipeg - Regina - Calgary - Vancouver - Victoria
THE MAKERS OF FAIRBANKS SCALES AND VALVES

City Dairy Company, Ltd.

By-products Prove Still More Profitable Year by Year—Stock in Demand — Dividend Increase is Being Looked for

One of the best illustrations of the rapid development of Canadian institutions engaged in the provision of food products is the story of the growth of the City Dairy Company, Limited, to its present enviable position. Despite keen competition and other obstacles, City Dairy has continued to show expanding earnings for a considerable period of years. The company has shared the growth and prosperity of a rapidly growing community, and to this may be attributed much of its success. Another important factor always has been the incessant aim of the officers of the company to perfect the service to the community, and to improve this service wherever possible by the addition of modern equipment, machinery and methods.



The net profits of the company for 1925 were $274,330, as compared with $248,456 during the previous year. During this period the company added very substantially to its surplus, which now amounts to more than $450,000, and this with a reserve of $48,000 may be considered in relation to the common stock outstanding of $555,000 and preferred stock of $700,000. With the exception of the war years the profits of the company have shown a steady increase since its inception. The war years proved a difficult period for the young organization when costs were increased without a relative rise in the selling price of the product. During 1917 the earnings of the company amounted to $70,275, and since no dividend was paid, the surplus was allowed to accumulate. Since that time earnings have expanded year by year. Dividends were resumed in 1921 and increased in 1922 from 7 to 10 per cent. In July, 1924, the dividend was again increased, this time to 75 cents a share of $25 par and a bonus of 3 per cent. was declared in January, 1922. Dividends on preferred were passed in 1916, but were resumed in 1918, and all arrears were settled in 1921.

Equipment Brought up to Date

The plant and equipment of the City Dairy Company had depreciated somewhat during the war period, and funds had been accumulated for the purpose of rehabilitation. As a result the company gradually extended its plant and equipment to meet the needs of a rapidly growing community. Old machinery and equipment was renewed and extended, and certain subsidiary companies were added. During 1917 a policy of retrenchment was inaugurated, and economies were introduced. At that time the common stock of the company was selling around 40. It had been paying little to the shareholders, except during the period around 1914. During 1917 common earned 3.76 per cent., and this began immediately to increase rapidly. By 1921 it had reached 24 per cent., and in 1923 it was 41.21. The percentage earned on preferred also showed gradual improvement after having reached a low point in 1916. In 1921 it was 26.59 and in 1923, 40.26 per cent.

At this time public agitation for lower milk prices began to be heard as a result of the publication of these reports of large profits. It was urged that if dividends such as these could be earned, the company could well afford to lower the price of an essential food product. These clamorings led to an investigation by the civic authorities of Toronto, and resulted in a disclosure of the fact that the bulk of the profits were not made in milk proper, but were made through the distribution of by-products such as ice cream, butter, powdered milk, etc.

The City Dairy, for example has found powdered milk a profitable by-product. This product is gaining popularity in countries where the climate is such that the keeping of milk for any length of time is not feasible. This is true of most of the southern companies and among a great number of these a large volume of trade is being built up. At the same time powdered milk has gained great popularity in the Canadian field as well. As a result of this demand the Dri-Milk Co. was incorporated in 1920 with an authorized capital of $126,000 and in 1922 the capital was increased to $260,000.

While competition has increased in the City of Toronto in dairy industries, the City Dairy seems to be securing an adequate amount of business to keep profits rising year by year. It must be remembered that the community is advancing rapidly and the market for milk is growing accordingly. Advertising is rapidly increasing the popularity of milk as a basic food product, and during a period of expanding business, it has been found that the consumption of milk increases. The company's total assets are shown as $2,140,871, of which investments represent $1,052,571 and real estate, buildings, plant and equipment, $852,963. Accounts payable are shown as $343,477.

Details of the capitalization of the company, and of the Dri-Milk Co., along with the names of the officials, etc., follow:

Capitalization—

	Authorized	Outstanding
xCommon	$1,000,000	$565,000
Pref. 7 p.c. cum.	1,000,000	700,000

xOn March 27, 1924, the shareholders authorized a division of each $100 share into four shares of $25 each.

Dividend Record—

Common paid quarterly. Passed for quarter ended June, 1916. Resumed 1¾ per cent. for quarter, March, 1921. Increased from 7 to 10 per cent. beginning Jan., 1922. Increased to 75 cents per share ($25 par) July, 1924. Bonus of 3 per cent. January, 1922. Preferred paid quarterly. Passed Sept., 1916. Resumed June, 1918. All arrears paid Jan., 1921.

Officers and Directors—

S. J. Moore, chairman and vice-pres.; W. J. Northgrave, president and mananging director; A. E. Ames, J. N. Shenstone, J. G. Kent, Col. F. H. Deacon, F. E. Brown, E. G. Baker, Mark Bredin; J. Findley, sec.

Profit and Loss—

	1924	1925
Profits	$248,456	$274,330
Other income	37,206	....
Bal. forward	149,313	292,621
	$434,975	$566,951
Pref. dividends	49,000	49,000
Com. dividends	64,975	67,800
Surplus	292,621	450,151
Adjust. of deprec.	28,379	....
	$434,975	$566,951

Earn. Rate—

On pref.	40.81%	39.19%
On com.	41.88%	39.88%

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$ 70,275	$	$ 84,234
1918	112,022	36,750	159,507
1919	115,390	49,000	225,897
1920	117,770	122,000	221,168
1921	163,778	105,500	301,648
1922	200,747	105,500	421,586
1923	225,477	105,500	149,313
1924	248,458	113,975	292,621
1925	274,330	116,800	450,151

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com. ...	66	40¼	90½	65	82⅛	65½
Pref. ..	110	104	110	104½	112	107

Drimilk Company

In May, 1920, the Drimilk Co. was incorporated with an authorized capital of $150,000. In June, 1922, the capital was increased to $250,000. At the end of March, 1925, there had been allotted and issued by the company $50,000 in common stock and $170,000 in preferred stock, all of which belonged to the City Dairy Co.

On March 25, 1925, the Drimilk Co. caused to be incorporated a new company under the same name with an authorized capital of $1,250,000, consisting of 30,000 shares of common and 20,000 shares of preferred, both of the par value of $25 per share, such preferred shares carrying a fixed cumulative dividend of eight per cent. per annum.

The company now has outstanding $750,000 of common stock and $275,000 of preference stock, all of which is owned by the City Dairy Co. The Drimilk Co., owns and operates the plants at Courtland, Simcoe and Listowel, Ont., and is in a position to do business throughout all the provinces of Canada.

Hamilton Dairies

Amalgamation of Six Companies for More Efficient Distribution

The Hamilton Dairies, Ltd., which has been incorporated in Ontario, is an amalgamation of six companies distributing milk and dairy products. The amalgamating companies are: Hamilton Dairy, Ltd., Wentworth Dairy Co., Ltd., Cloverdale Creamery, Ltd., Bonnie Bank Dairy, Hamilton Ice Cream, Ltd., and Caledonia Dairy, Ltd. The companies, which have been engaged in the business of supplying milk and dairy products to the city of Hamilton and vicinity since 1915, have grown to such an extent that the new company will, it is stated, be the largest concern of its kind in Western Ontario. Production estimates, based on present individual output, are computed to be 20,000 quarts of milk and 10,000 pounds of butter per day. Distinct economies in overhead and an elimination in overlapping service are expected to be the direct outcome of the consolidations.

Capitalization—

	Authorized	Outstanding
Common .... (No par value.)	50,000 shs.	26,000 shs.
Preferred	$1,500,000	$750,000

7% cumulative redeemable sinking fund. Par $100.

Funded Debt—

None.

Dividend Record—

Dividends on preferred are payable quarterly, Mar., June, Sept. and Dec. 1, to accrue from Sept. 1, 1926.

Officers and Directors—

D. C. Flatt, pres.; J. I. Flatt, vice-pres. and gen. mgr.; D. Z. Gibson, G. H. Bethune, R. O. Denman.

Eastern Dairies

Merger Has Already Brought About a Decided Increase in the Profits

The Eastern Dairies was organized in April of this year and at its inception acquired the Elmhurst Dairy and the Standard Creamery Company, of Montreal, and the Producers Dairy, of Ottawa. At the time of the merger, the public were offered $1,250,000 in preferred stock, which carried with it a bonus of common shares.

The two Montreal companies which were acquired do business in different sections of the city, so that the consolidation has not resulted in any decrease in the territory served.

The company distributes milk, cream and butter and it is also intended eventually to proceed with the manufacture of various by-products. The Ottawa end of the company operates a substantial ice-cream business and the trucks there serve Ottawa, Hull and the immediate vicinity; shipments are also made by express to more distant points.

Since the Eastern Dairies was organized, it has expanded still further and purchased the Acme Dairy in Toronto. This purchase was made entirely from working capital and resulted in no further financing. It is understood that this company was acquired at an attractive price.

The fiscal year ends on December 31 next, at which time the shareholders will have the opportunity of ascertaining the earning power of the assets. The end of the year completes the first nine months of the new company's operations. In the meantime, earnings are encouraging and show a big increase as compared with the figures of the component companies for the corresponding period of last year.

For the future, further expansion might be directed along one, or both, of two channels. The company might increase its output of those commodities closely related to the dairy industry, or perhaps further dairy units might be added to its chain.

Capitalization—

	Authorized	Outstanding
Common .. .. (No par value.)	100,000 shs.	50,000 shs.
Pref. 7% .. .. .. (Par $100.)	$5,000,000	$1,250,000

Funded Debt—

None.

Dividend Record—

Dividends on preferred accrue from Apr. 15, 1926, and are payable quarterly Jan., Apr., July and Oct. 15.

Profit and Loss—

Profits for the 12 months ending Feb. 28, 1926, available for depreciation, income tax and dividends, were $173,570.

Caulfield's Dairy

Expanding Business Has Made Necessary Large Additions to Plant

Caulfield's Dairy is one of those growing young industries which has developed with an expanding community and has built up a very promising business. The company was established early in the development of the western section of Toronto and has grown with the city. The present earnings of the company are more than enough to meet the dividend requirements and in spite of keen competition in the dairy industries the company has a promising future.

A preferred stock issue of $100,000 was recently sold largely to shippers of milk to the firm. It was felt by the officers of the company that the shippers should have first chance to buy these bonds, and this was carried out to a large extent. This issue was made solely for purposes of expansion. Caulfield's Dairy Limited was organized in May, 1924, to take over the Yonge Street branch of the company with equipment. It was later found that growth in the business made it necessary to enlarge the plant and a modern bottling plant with a capacity of 8,000 quarts per day was established. It is anticipated that earnings will reach more than $40,000 a year, shortly, judging from the experience of the parent company. It is understood that Caulfield's dairy has recently had attractive offers from a large dairy syndicate to enter a merger, but refused.

Capitalization—

4,000 shares common	$100,000
1,000 shares, 7 per cent. pref.	100,000

Com. $25 par value; pref. $100 par value.

Profit and Loss—

For the six months ended June 30th, 1926, after providing for preferred dividends and depreciation, profits were equal to 18 per cent. on the common stock outstanding, and current sales at the rate of $300,000 per annum. Net profits were $12,213, after setting aside $2,646 as a provision for the depreciation on fixed assets.

Caulder Creameries

Result of Merger of Succesful Group of Dairies in the West

In order to benefit from the economies of consolidation and to take advantage of the expanding opportunities of the prairie provinces in the dairy business, the Caulder Creameries, Ltd., was organized this year under Dominion charter to take over the assets of Western Creameries, Ltd., and the Saskatchewan Creamery and Ice Creamery Co. Western Creameries operated 10 branches in Northern Saskatchewan, chiefly in the City of Saskatoon, while Saskatchewan Creamery and Ice Cream Co. had 12 branches in the southern part of the provinces. The new company will have its head office in Moose Jaw. It has an authorized capital of $800,00 with $600,000 in preferred stock and the balance common. After the common has received accumulative dividend of 8 per cent., preferred will participate equally with the common up to 10 per cent. Details of capitalization of the company along with the names of officials follow:

Capitalization—

	Authorized	Outstanding
Common	$200,000	$200,000
Preferred	600,000	311,000

Par value $10 each.

Funded Debt—

First mortgage 7 per cent. bonds of Saskatchewan Creamery & Ice Cream Co., outstanding, $500,000.

Officers and Directors—

J. A. Caulder, pres. and gen. mgr.; R. S. Hodson, vice-pres.; T. Miller, G. Barr, L. J. Brazziel, W. R. Brodie, H. D. Stephen, W. J. Redmond, A. W. Andreason, J. Priel, I. Byers, L. G. Caulder.

Profit and Loss—

The net income of the combined companies for 1925, was $92,013.

National Milk Products

National Milk Products Co., Ltd., was incorporated in September to acquire a large dairy plant purchased in Gananoque by T. A. McAuley. This plant was acquired for the purpose of rounding out a food products situation which Mr. McAuley has been developing for the last year.

The plant, when completed, will have a capacity of over one million pounds of butter per year, together with a large output of sweet cream, and a new milk powder plant of the Grey-Jenson process, is under construction, which will handle a minimum of fifty thousand (50,000) pounds of milk per day. We are informed that this plant will be in operation within sixty days, and that it is the intention of the company to add another unit of the same size early next spring.

The company has an authorized issue of one hundred and fifty thousand dollars ($150,000) 6½ per cent. 20-year first mortgage bonds, which will be presently issued; authorized five hundred thousand dollars ($500,000) seven per cent. preferred stock, $150,000 of which will be presently issued; 20,000 shares no par value common, 10,500 shares to be presently issued.

T. A. McAuley is president of the company; Thos. Price, formerly head of S. Price & Sons, Dairy, Ltd., Toronto, is vice-president, and the other directors are: G. C. Drury, of Montreal; J. A. G. Clarke, of Toronto, and E. G. McMillan, of Toronto.

Canada Flour Mills

The Canada Flour Mills Company was incorporated in 1900, and operates a flour and corn mill at Chatham, Ont.

Capitalization—

	Authorized	Outstanding
Common .... ($10 par value.)	$150,000	$150,000
Pref. cum. 8%	250,000	250,000

Funded Debt—

First mortgage sinking fund bonds. 6½% due 1942, $150,000.

Officers—

E. W. Hardy, pres.; A. W. Filis, sec.

Farmers Dairy Co.

An Increase in Sales of 15 Per Cent. Reported for Year

The Farmers Dairy Co., incorporated in 1909, with an original capital of $50,000, about a year ago enlarged their capitalization from $350,000 to $1,050,000. The company last year received a Dominion charter with an authorized capitalization of $2,000,000, and has issued $700,000 7 per cent. preferred and $350,000 common $50 par value per share. Incidentally the financing was done last year at a cost of less than $1,000. The company has some 500 shareholders. All are farmers in Ontario, and the majority of them sell their products to the Farmers Dairy.

The company's products are milk, cream, butter, cheese, milk powder and ice cream. In addition to large up-to-date plant in Toronto, the company has plants at Sydenham and Napanee, which are devoted entirely to dry milk products for export. In the Toronto plant the company has a capacity to make 2,000,000 pounds of butter. As in the case of so many other dairy companies, the greatest profits are not in the milk business as is commonly supposed, but rather from the by-products.

The company does not make its financial statements public; nevertheless we are informed that in 1926 it paid 2 per cent. on its common for the half year ending June 30. The company furthermore shows substantial surplus of liquid assets over liabilities.

The company last year showed an increase of 15 per cent. in sales over previous year. With the new building and present equipment, the company is prepared to look after a larger volume of business, and the general manager of the company looks to the future with great confidence.

Directors and officers:—Hon. G. S. Henry, pres.; J. G. Cornell, 1st vice pres.; O. D. Bales, 2nd vice pres.; R. D. Hughes, general mgr., A. J. Reynolds, director; R M. Loveless, director, R. M. Holtby, director, G. H. McKenzie, director.

New Home of The United Farmers Co-operative Co. Limited, at the Corner of Duke and George Streets, Toronto.

CONSISTENT PROGRESS

The Company closed its books for the current fiscal year on September 30th. While complete figures are not yet available, it is certain that the Company has enjoyed one of the best years in its history and that in addition to patronage dividends already paid a substantial surplus will be available for distribution to shareholders.

THE UNITED FARMERS CO-OPERATIVE Co. Ltd.

Duke and George Streets TORONTO

Trade Papers an Increasing Force

"TRADE Papers are an increasing force in merchandising practice and in the sale of the manufacturers' product to-day," said William Findlay, of the Findlay Advertising Agency, when recently addressing the Stationers' Association of Toronto.

This is due, Mr. Findlay pointed out, to the increasing importance of the retailer in the general scheme of distribution.

"That is why," he continued, "before any consumer advertising is undertaken, the manufacturer needs to be sure that he is receiving all the benefits possible from advertising to the trade which acts as the distributor of his goods."

The class of business papers which serves Canada is, in Mr. Findlay's opinion, distinctly a credit to this country and is second to none.

This was a splendid tribute to the value of Canada's Trade Press, of which the MacLean Business Papers are prominent members. These papers, which are listed below, are all members of the Audit Bureau of Circulation and are always ready to help manufacturers with their merchandising problems.

The MacLean Publishing Company Limited

143-153 University Avenue, Toronto

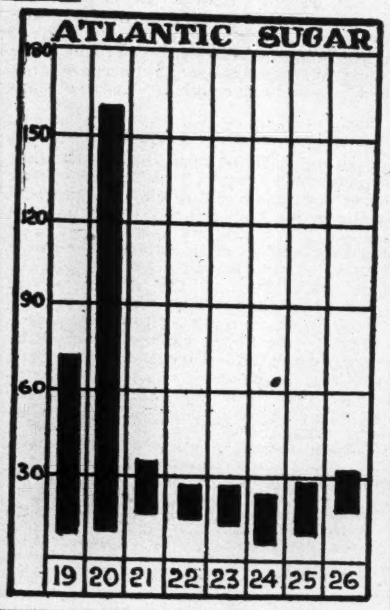
Publishers of

Canadian Grocer
Hardware and Metal
Dry Goods Review
Men's Wear Review
Power House
Canadian Machinery
Canadian Foundryman
Drug Merchandising
Bookseller and Stationer
Printer and Publisher
Sanitary Engineer
Canadian Automotive Trade

Atlantic Sugar Refineries

Has Got Away to a Good Start Following Funding of Raw Sugar Debt — Earnings Larger This Year and Prospects Better

During the past year, the position of the Atlantic Sugar Refineries has been materially improved. The company funded the debt owing to its raw sugar creditors; this was incurred before the debacle of 1920-21. This simplifies its balance sheet. At the time the shareholders ratified this change in the company's capital structure in February of this year, the directors underwrote a further 30,000 shares of the new no par value stock, which was issued at that time. Thus, the company's liquid position was also improved, and it is in a generally bettered position all round. In the trust deed covering the present issue of general mortgage bonds, which were handed to the raw sugar creditors in full payment of their claims, it is laid down that the company shall pay no dividends until such time as the aggregate amount of the first and general mortgage bonds outstanding totals $3,000,000. The company also has heavy sinking fund payments to meet on these general mortgage bonds, which begin with $50,000 this year, and will increase until $125,000 is paid in 1932. From that date, the company must pay $400,000 annually into the sinking fund for the bonds. By the latter date, the company will have paid off its issue of first mortgage bonds.



Incidentally, these general mortgage bonds only bear interest at 5 per cent., and, thus, it is possible that the company may be able to redeem them by purchase on the open market at a price considerably below par. If this could be accomplished, it would mean an increase in the net earnings over a period of years.

Although Atlantic Sugar has these large charges to meet annually, yet, given a reasonable chance by a few years of business such as is prevailing at present, it should eventually work itself out of its present position and be able to present a better looking balance sheet.

The operations of the company since the beginning of the year have been maintained at, or very close to, capacity and earnings applicable to the common stock, after all other charges, have been substantial. Provision for bond sinking fund charges will still preclude the possibility of dividend payments on the preferred stock, probably, for a year or two.

During the first six months of the year, Atlantic Sugar showed, after allowing for all expenses and interest charges, net earnings in excess of $850,000. Export orders this year have shown a decided improvement, whilst the low price of raw sugar has allowed the company to operate without using as great a proportion of its working capital.

Capitalization—

	Authorized	Outstand'g
Com. (no par)	35,000 shs.	48,889 shs.
Pref. 7 per cent.	$3,000,000	1,111,100

Shares $100 each.

Funded Debt—

First mortgage 6 per cent. bonds, maturing in series to 1935, ...$2,000,000 $795,000
General mortgage bonds, 5 per cent., due 1941, $3,927,000.

Dividend Record—

Preferred, initial dividend of 1¾% paid July 2, 1919; Oct. 1, 1919, to Oct. 1, 1920 inclusive, 1¾% quarterly; none since. Payments on account of accumulative pref. were made as follows: Jan. 2, April 1 and July 2, 1920, 1¾% each; Sept. 1, 1920, 28% paying off all accrued dividends to that date; Jan. 1921, dividends passed.
On common initial dividend of 2½% paid Oct. 1, 1920; none since.
Common, new shares, no dividends paid.

Officers and Directors—

J. L. Seidensticker, pres.; D. Lorne McGibbon, chairman of the board; Sir. T. Tait, vice-pres.; W. D. Ross, vice-pres.; Hon. W. Nesbitt, K.C., Hon. C. P. Beaubien, K.C., J. B. Coombs, Wm. Mulock, K.C., L. R. Wilson, M. E. Williams, S. J. Le Hurray, secy.; D. P. Thomas, H. W. Beauclerk, W. A. Hobbins, J. L. Counsell, K.C., M. J. Savage, treas.; E. S. Johnston, asst. secy.-treas.

Profit and Loss—

	1924	1925
Profits	$ 964,104	$1,246,391
Interest chgs.	432,691	397,684
	$ 531,413	$ 848,707
Depreciation	304,224	355,376
Net profits	$227,189	$ 493,331
Prev. surplus	*4,487,847	*4,259,195
	*$4,260,658	*$3,765,864
Adjust.	1,463	5,522
Surplus	*$4,259,195	*$3,760,342

*Deficit.

Earn Rate—		
On com.	3.05%	8.49%
On pref.	20.44%	44.40%

Nine Years' Earnings—

Year	Earnings	x Dividends	Surplus
1917	$ 304,423	$	$ 116,657
1918	462,676	......	323,439
1919	986,343	......	698,771
1920	2,802,910	262,500	1,106,362
1921	1,145,935	928,416	x5,188,279
1922	990,564	......	x5,060,313
1923	1,459,982	......	x4,487,846
1924	964,103	......	x4,259,195
1925	1,246,391	......	x3,760,342

x—Deficit.

Market Record—

	1924		1925		1926	
Com.	21¾	11	37½	13	32⅞	21½
Pref.	51	32½	88⅞	40	88	75

"— HENCE SUGAR"

The story of sugar begins in India many centuries before the Christian era. The legend runs that the great Prince Raja Trisjanku desired to be translated to heaven during his lifetime. Indra, the ruler of the celestial realms refused to admit him. To satisfy the Raja's wish, the famous hermit, Vishva Mitra, prepared a temporary paradise of wondrous flowers, delicious fruits and savoury herbs. Of them all the Raja and his harem liked none better than the "honey bearing reed," sugar cane. Indra, being a jealous god was wroth when he beheld mere mortals enjoying such delights and willed the destruction of this enchanted garden. Thus it came to pass that all its luxuries were destroyed save a few, among which was sugar cane. Thus mankind to-day enjoys what was at one time only the luxury of potentates and their favorites.

Acadia Sugar

Old Company Sells Out—New Financing Undertaken and Company Off to Sound Start

During the past year or more, the prevailing low price of raw sugar helped to better materially the position of the Acadia Sugar Refining Company. The lower prices for the raw material enabled the company to find wider markets and to transact its business with a lowered amount of working capital.

During the present summer, the predecessor company of the same name was acquired by the present organization. The new company undertook financing, and the capital structure was materially altered. New first mortgage bonds were sold to the public, and a small issue of second mortgage bonds was absorbed by those actively interested in the management and operation of the concern, which has been in successful operation since 1879. Until recently the company was controlled in Scotland.

Over the past five years earnings have been equivalent to over three and three-quarter times the annual interest charges on its present issue of bonds; this is before any allowance for depreciation.

The company owns a modern, fireproof sugar refinery, with a daily capacity of 1,250,000 lbs., situated at Woodside, on Halifax Harbor. It generates its own electric power and owns deepwater docks situated on tidewater. It operates also a cooperage plant at Moncton, and a modern box and barrel factory at Woodside, N. S. The new financing places Acadia Sugar in a better position to take advantage of the improved conditions which prevail in the industry.

Capitalization—

	Authorized	Outstanding
Common	$1,500,000	$1,500,000
Pref. 6 per cent....	1,500,000	1,500,000
Funded Debt—		
7% general mortgage sinking fund gold bonds	1,000,000	750,000
6% first mortgage bonds	3,000,000	2,500,000

Dividend Record—

None.

Officers and Directors—

E. J. Longard, chairman; D. R. Turnbull, managing director and secretary; J. McG. Stewart, G. W. Hensley, T. W. Garry, H. F. Stevenson, A. Henderson, J. B. Ramsay.

Profit and Loss—

	1924	1925
Net trading profit	$618,904	$569,327
Other profits		598
Balance forward	63,154	62,791
	$682,058	$632,716
Tax adjustment	3,167	1,649
Depreciation, etc.	335,380	300,694
Interest	273,419	259,675
Directors' remuneration .	7,300	7,300
Balance	62,791	63,397
	$682,058	$632,716

Cuban-Canadian

World Over Production of Sugar Lowers Earnings — Future Prices

The Cuban-Canadian Sugar Company, during the past few years, has been experiencing the extremely difficult conditions which have altered the earnings of every other producer of raw sugar in the world. The only thing which can largely increase the earnings is an increase in the price of raw sugar—but this still seems to be a long way off.

The company has gradually enlarged its annual crop by increasing its acreage and, in this fashion, has paved the way for a larger earning power. However, the fact that earnings have not mounted in recent years has been due solely to the low prevailing price of raw sugar, and investors would be unwise to anticipate any increase in raw sugar prices with the present world over production.

The world over production of sugar is a situation which must eventually follow economic laws and right itself; the weaker sisters in the industry will gradually be killed off and, in this way, the stronger companies, such as the Cuban-Canadian Sugar Company, will eventually be in a somewhat improved position. But the declaration of any preferred dividends is very, very far in the future—these dividends are at present some 50 per cent. in arrears.

The company is in a strong operating position with an efficient and economic plant and its own railway to its port, which ensures economical transportation.

The company produces no refined sugar, merely the raw product. Plantation lands in Cuba owned outright amount to some 66,000 acres and about 75 per cent. of the annual raw sugar consumption is supplied by farmers with whom the company has contracts covering a number of years. The remaining 25 per cent of its requirements are produced on its own land. The company owns and operates 35 miles of standard gauge railway, which is used to deliver the raw sugar from the plant to its own seaboard port.

Capitalization—

	Authorized	Outstand'g
Pref. 8 p.c. cum. ..	$10,000,000	$4,000,000
Common	10,000,000	5,000,000

Funded Debt—

First mortgage 6 per cent. bonds due Dec. 31, 1937, $1,500,000; general mortgage, 6 per cent. bonds, due June 30, 1936, $1,400,000.

Dividend Record—

Preferred 8 per cent. paid in 1920; none since. Common, none.

Officers and Directors—

I. W. Killam, president; Victor E. Mitchell, K.C.; Senator N. Curry, W. D. Ross, G. T. Walker, F. R. Taylor, K.C.; V. M. Drury, W. Rich, sec.-treas.; A. F. Culver, vice-sec.; F. E. Thurston, manager.

Profit and Loss—

	1924	1925
Gross income	$786,099	$290,693
Depreciation	150,000	54,415
	$636,099	$236,278
Bond interest	216,640	243,010
Expenses	28,230	31,977
Bad debts	50,000	......
	$341,229	x$38,709
Prev. surplus	x1,042,241	x701,012
Surplus	x$701,012	x$739,721

x Debit.

Earn. Rate:		
On common	0.42%	......
On preferred	8.52%	......

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1920	$1,109,025	......	$ 643,068
1921	x 870,921	......	x1,786,699
1922	595,016	......	x1,415,500
1923	970,506	......	x1,042,240
1924	786,098	......	x 701,013
1925	290,693	......	x 739,721

x—Deficit.

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Common	13	6	10	3½	5	3
Preferred	54	33	45	22	28	21

U.F.O. Co-Operative

Good Showing of Marketing Organization Now That Costly Retail Stores Have All Been Closed

The segregation of all Toronto Departments of the United Farmers' Co-operative Company, Limited, with the exception of the live stock commission department, under one roof in its new home at the corner of Duke and George Streets, Toronto, marks a new milestone in the history of this enterprise. The United Farmers' Co-operative Company is the commercial branch of the movement of which the parent body in Ontario is the United Farmers of Ontario.

The company was incorporated on February 7th, 1914. In March, 1917, steps were taken to increase the capitalization from $10,000 to $250,000. During the year 1920 the authorized capital was still further increased to $1,000,000. A province-wide stock-selling campaign was inaugurated in June and by the end of the year the million dollars had been over subscribed by shareholders to the number of over twenty thousand. During the same year the Live Stock Department increased the volume of its business approximately $12,000,000, while the total turnover in all departments for the twelve months was nearly $20,000,000.

For a year or two subsequent to this spectacular success, all was not plain sailing. Against the better judgment of the minority a chain of retail stores was opened throughout the province. Co-operative retail stores, while they have met with success in industrial England, have so far been a comparative failure in agricultural Canada. The retail store venture of the United Farmers' Co-operative Company proved a costly failure and resulted in serious impairment of the company's capital.

Faced with the alternative of temporizing with an embarrassing situation or boldly closing down the unprofitable stores and taking an immediate and heavy loss, the directorate wisely chose the latter course. Although the decision caused a distinct shock and considerable heart-burning to a large section of the shareholders, the end of 1923 arrived with the last of the retail stores closed down. The wisdom of the directorate and management has since been amply borne out by the fact that since the closing of the stores and by concentrating on those features of its business more directly affecting the interests of the farmer, the company has, under the able guidance of Howard B. Clemes, general manager, made most remarkable progress. At the date of writing, liabilities to others than the company's own shareholders, are practically nil, and there is ample capital not only to carry on all the existing departments, but to provide for expansion as the need arises.

Stock in the company is held mostly in small blocks by Ontario farmers. In addition to large commodity dividends paid on cream, eggs, etc., the company paid a dividend of three per cent. to its shareholders in 1924. In 1925 another dividend of three per cent. was declared. The books of the company were closed this year on September 30 and, although statements are not yet ready, it is learned on good authority that the company has had a better year this year than ever before, and that a dividend will be declared on the capital stock. The company handles livestock, cream, butter, eggs, poultry, binder twine, coal, grain, flour and feed, seeds, fencing, harness, cream separators. A large volume of the business is on the car-lot basis, with sales made on sight draft, bill of lading attached. Considerable headway has been made in developing the business on a co-operative marketing basis, having established egg, turnip, cream and seed pools. Negotiations are also under way for the formation of a wheat pool next year in co-operation with the western wheat pools.

The directors and officers of the company are: H. A. Gilroy, Alvinston, president; James Ross, Woodbridge, vice-president; G. A. Bothwell, Owen Sound; Mrs. G. A. Hogg, Thamesford; R. J. McMillan, Seaforth; E. C. Drury, Barrie; J. G. Little, Shelburne; J. A. McFeeters, Toronto; G. W. Buchanan, Carleton Place; J. J. Morrison, secretary-treasurer.

Fanny Farmer Candy

American End of the Canadian Laura Secord Candy Concern

The business of the Fanny Farmer Candy Shops, Inc., was established at Rochester in 1919, by Frank P. O'Connor, who is president of the company, as well as president of the Laura Secord chain, which is the Canadian sister of the Fanny Farmer group. The company, which is now operating some 80 shops, has shown rapid expansion and sales in 1925 amounted to more than $2,600,000, which is an increase of 456 per cent. over the 1921 record and 38 per cent. over 1924 figures.

In April, 1926, the authorized capital stock was changed from 5,000 shares of common and 5,000 shares preference, par value $100 each, to 100,000 shares common and 45,000 shares preference of no par value.

Capitalization—

	Authorized	Outstand.
Common	100,000 shs.	100,000 shs.
Preference .. .... (No par value).	45,000 shs.	30,000 shs.

Dividend Record—

Preference dividends payable quarterly, Jan., Apr., July and Oct. 1; initial dividend of 60 cents per share was paid July 1, 1926.

Sales and Earnings—

	1924	1925
Number of stores ...	54	77
Sales	$1,906,525	$2,636,674
Net profits after taxes	182,894	242,319

Toronto Terminals

Big Warehouse on Toronto Waterfront to Handle Ontario Produce

The Canadian Railway and Harbor Terminals, Ltd., which is erecting a $7,000,000 terminal warehouse on Toronto's lake front, purchased the assets and business of the Toronto Terminal Warehouse Company. Work on the warehouse, which is one of the largest and most modern terminal warehouses in the world, is progressing rapidly. Construction work was started in May, 1926. The warehouse, which will have a gross floor area of about 950,000 sq. ft., is situated on the waterfront, and has a land frontage of 1,074 ft. and a dock front of 2,268 ft. consisting of 1,083 ft. on the south side, 540 ft. on the west side, and 645 ft. on the east side. The warehouse will be served by both the Canadian Pacific and the Canadian National Railways.

Net earnings of the company available for interest for the second year of operation are estimated at approximately $600,000, and for the third year of operation, $1,037,506.

Capitalization—

	Authorized	Outstanding
Common .. .. (No par value).	200,000 shs.	200,000 shs.
7% Pref.	$4,000,000	$ 250,000
7% Deb. stock..	1,200,000	1,200,000
7% Gold bonds..	2,000,000	2,000,000
6½% 1st mtge...	3,500,000	3,500,000

Funded Debt—

First mortgage 6½ per cent. bonds, due 1951; Sinking fund mortgage 7 per cent. gold bonds, dated March, 1926, due Dec., 1945.

Need For Greater Caution In Trade With Cuba

The general condition of Cuba from the business point of view is at a very low ebb, states a correspondent in Havana of the Federation of British Industries, and sugar, which represents 85 per cent. of Cuba's total industry, is selling a long way below the cost of production. Business is, in fact, likely to become more difficult still and, as is usual under these circumstances, only old and conservative houses are meeting their obligations promptly.

Many firms are taking advantage of the Cuban Commercial Code which unfortunately makes collections of outstanding accounts practically impossible. It is still, for instance, perfectly legal for a sleeping partner in a firm (provided he holds the right kind of executive document duly signed by his partners) to lay an embargo on the assets of the firm, to auction them off at a so-called public auction, at which the partners are usually the only people represented, and obtain in this manner complete legal possession. Creditors in such cases have no remedy whatsoever and usually see the firm reconstituted with its late liabilities converted into assets. This is a common occurrence.

B.C. Stock Raisers to Form Marketing Pool

KAMLOOPS—In an effort to obtain better prices and improved marketing conditions, British Columbia stockraisers decided, on Tuesday afternoon, to follow the lead of Alberta and the other prairie provinces and organize a selling agency for their cattle and other livestock, the head office of which will be located in Vancouver.

OUTSTANDING

Among the Finest Dairies in the World!

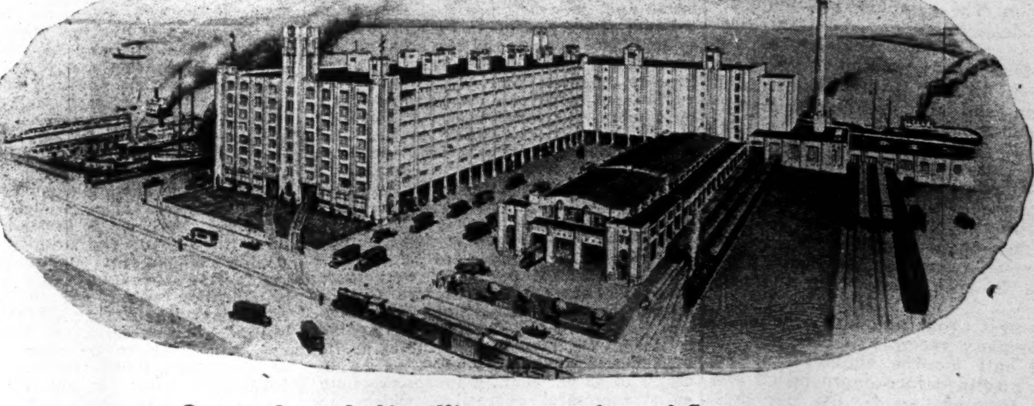
From obscurity to an outstanding position among the finest dairies in the world, *in little more than fifteen years*—is the story of the phenomenal growth of the Farmers Dairy.

The Farmers Dairy to-day covers a *whole city block* with its shining white buildings. Within these buildings, in every department, is the very ultimate in scientific dairying machinery—Pre-heaters, Pasteurizers, Coolers, Bottlers, Hot Water and Live Steam Sterilizing Equipment for bottles and cans. The Farmers Dairy operators in charge of this equipment are Canada's most skilled dairymen. Our delivery system and farm inspection we have developed to a high degree of efficiency.

Outstanding among the world's finest dairies—Farmers Dairy Milk is *better* milk—richer, purer, and safer. And Farmers Dairy Service is better—in every way.

THE FARMERS DAIRY
Phone Hill. 4400
Walmer Road and Bridgman Street TORONTO

Modern Terminal Warehouses



One and one-half million square feet of floor space.

Canadian Rail and Harbour Terminals
LIMITED
At Toronto, Ont.

Montreal Rail and Water Terminals
LIMITED
At Montreal, Que.

General and Cold Storage
Free Switching to and from All Railroads
Complete Facilities for Waterborne Freight

Bond and Free Storage
Office and Display Space

Pool Cars to all Western Distribution Points

Fireproof Sprinklered Buildings
Lowest Insurance Rates

Consign Shipments to Either House

Western Grocers Ltd.

Firm Has Benefited Steadily from Business Improvement in West — Reorganization Effected and Outlook is Improved

Western Grocers have benefited from the gradual betterment in conditions which has taken place through the West during the last few years. The volume of business has increased steadily, and the profits have grown accordingly. Western Grocers was incorporated in 1912 as the A. MacDonald Company, and the present company was formed in 1918. Western Grocers conduct a mail order wholesale grocery business throughout the West, having 13 branches located throughout the Prairie Provinces.

During the year re-organization of the capital was made, and the old shares of Western Grocers, Limited were exchanged for new shares. It will be recalled that for each two preference shares there was distributed $2.25 per share in cash and one of the 7 per cent. accumulative preference shares, along with one new no-par common share. For each six common shares there was distributed one new no par common share. The new issue has been listed on the Montreal Stock Exchange, and both new and old shares were quoted until all the old ones were exchanged. The new preference stock is 7 per cent. cumulative and carries dividends as from January 1st 1926. The balance sheet of the company as at September 31st last, after giving effect to capital adjustment referred to, shows assets of $4,327,887 compared with $7,236,607 at the end of previous year. From this it will be seen that considerable adjustment was made in the valuation of the company's properties. Reflecting this re-adjustment the item of $3,111,722 shown in the 1924 report for good-will and trade marks has disappeared. The company is now in a more satisfactory position to make larger returns for the shareholders.

According to W. P. Riley, the president, earnings of the company are substantially improved, and prospects are also brighter. Regarding dividend prospects on common, Mr. Riley said they were still distant, but that payment would be resumed, however, as soon as conditions warranted it.

Capitalization—

	Authorized	Outstanding
Common .... (No par value.)	30,000 shs.	16,943 shs.
Pref. 7% cum. .... (Par $100.)	$2,500,000	$1,194,300

Funded Debt—
None.

Dividend Record—
(Old shares)—Preferred, 7% paid to Dec., 1913. Resumed for quarter beginning Jan., 1919; 35% paid Feb. 28, 1919, in preferred shares in full of dividends accrued to Dec. 31, 1918. Passed for quarter beginning July 1, 1923, and since. Common, 5% was paid to June 30, 1913, none since.
On new preferred 1¾% paid June 15, 1926.

Officers and Directors—
W. P. Riley, pres. and gen. mgr.; W. H. McWilliams, H. W. Hutchinson, Andrew Kelly, E. E. Hall, W. E. Davis, sec.

Profit and Loss—

	1924	1925
Profits	$46,407	$140,911
Depreciation	14,499	14,499
Income tax	9,768	2,774
Reserve	59,715	59,715
	*$37,575	$ 63,923
†Bal. forward	69,220	91,360
	$31,645	$155,283

* Deficit.
† Indicates special reserve.

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com., old ...	6	2	14½	4½	13	4
Com., new	..	..	..	..	30	24
Pref., new	..	..	..	..	80	62

National Grocers Ltd.

Shows Further Example of Economies Effected Through Lower Overhead — Report Disappointing But Outlook is Better

In accordance of the general movement towards consolidation of capital and efforts, National Grocers was formed a year ago to take in about 70 per cent. of the grocery trade of the Province of Ontario. The constituent firms sold approximately $30,000,000 worth of food and allied products during 1924. The merger comprises about 25 wholesale houses operating 37 warehouses, whose combined assets aggregate approximately $7,000,000. Every part of the Province of Ontario is represented, including Northern Ontario as well as the Eastern and Western sections.

One of the most important economies effected by the merger is the reduction which has been made in selling costs brought about by the sales department through zoning territories and allotting salesmen. From the staff of 224 salesmen over 60 men have been eliminated with a saving of over $180,000 per year in expense, and the sales volume is being well maintained.

Furthermore, some houses were closed up where duplication of effort occurred with a consequent saving in operation. The company has inaugurated a department called "Retail Service" or a Re-sale Division of the sales department, and meetings have been held all over Ontario where good will has been built up and an attempt has been made to convince the retailer of the sincerity of the operation. The service involved is placing at the disposal of the manufacture quality products bearing high reputation with the city consumer. A campaign has been carried on in certain well-known products, and dealers appear to be enthusiastic over the project.

The first profit and loss account of the company recently issued, for ten and a half months ending June 30, shows profits before depreciation and before interest on the 6½ per cent. gold notes, at $192,917. The sum of $113,750 is appropriated as interest on the notes, leaving net profits before depreciation of $79,167, out of which the sum of $68,931 is applied in dividends on the first preference shares, leaving a balance of $10,236.

The company reports a strong working position, with current assets of $5,691,629, as against current liabilities of $2,339,261. Accounts receivable are carried at $449,523, and inventories of stocks on hand at $3,171,249. Bank loans amount to $1,628,763, and accounts and bills payable, $651,061.

Regarding the company's position and outlook, President Archie Foster says:

"The volume of sales during this fiscal period has been very gratifying, especially when we consider the serious disruption in business caused by the zoning of territories for our different branches, the closing of a number of branches, and a most complete reorganization of the sales force. Very satisfactory progress has been made toward co-ordinating the operations of the different businesses taken over by your company, and both sales and administrative organizations are being developed along definite lines, making for largely increased service to the trade, economy, and effective operation.

"This reorganization work has required incurring of extraordinary expense during the past fiscal period, and in addition there were substantial losses in inventories taken over at the time of the consolidation. However, most of the difficulties have now been dealt with, and the entire organization is running much more smoothly, with the result that during the first two months of the fiscal year, namely, July and August, earnings, after setting up fully adequate depreciation and other reserves, are very satisfactory and should continue to be satisfactory during the year."

Capitalization—

	Authorized	Outstanding
Common .... (No par value.)	300,000 shs.	292,476 shs.
Pref. 8% cum.	$1,000,000	$1,000,000
Pref. 2nd 7%	3,500,000	2,878,000

Funded Debt—

Sinking fund gold notes, 6½%, due 1932	2,000,000	2,000,000

Dividend Record—
Dividends on 1st pref. 8% per annum, payable quarterly, Jan., Apr., July and Oct. The first dividend paid Jan. 1, 1926. Dividends on 2nd pref. 7% per annum, payable quarterly, Jan., Apr., July and Oct.

Officers and Directors—
Marland Woolnough, chairman of the board; Archie Foster, pres.; John Medland, vice-pres.; W. L. Kenny, A. J. Major, Hugh Blain, H. D. Whitehouse, J. G. Grimes, E. G. Long, sales mgr.; D. H. Eby, comptroller; A. C. Pyke, sec.-treas.

Loblaw Groceterias

Earnings and Profits Continue to Show Substantial Increases

The elimination of the wasteful elements in the distribution of grocery products, and the working out of the idea of marketing high grade products at low overhead, has brought success to the Loblaw Groceteria Company. The organization was established in April, 1921. Sound merchandising principles were followed and the result has well repaid the original financiers of the scheme. Prior to 1921, Mr. Loblaw and the other executive officials had been engaged in the grocery business and plans were then worked out to carry on a chain of stores on a more economical basis. The Loblaw system has adapted itself to the cash and carry system. The stores are clean looking, attractive and commodious enough to accommodate a large number of shoppers at once without inconvenience and without loss of time.

The financial statement for the past year shows a continuance of profits; earnings of $2.04 per share were made. Since the stock was split two for one during the year, the earnings are equivalent to $4.08 on the old capital as against $3 during the previous year. Net profits of $395,272 against $275,650, or an increase of 43 per cent., indicates the eminently successful operations which are carried on by the company. The number of stores has been increased from 29 to 40 during the year and the volume of sales from $6,135,192 to $7,715,459, which is a 25 per cent. rise.

Capitalization—

	Authorized	Outstanding
Common .... (No par value.)	72,000 shs.	72,000 shs.
Prior pref. 7%	$760,000	$534,800
Second pref.	240,000	237,000

Funded Debt—
None.

Dividend Record—
Prior preferred 7% per annum, payable quarterly, Mar., June, Sept., and Dec. 1; 2nd pref. 12% per annum, payable quarterly. An initial dividend of 25 cents per share paid Sept. 1, 1925, and quarterly since.

Officers and Directors—
T. P. Loblaw, pres.; J. Milton Cork, vice-pres.; H. G. Muntz, C. B. Shields, Daniel Urquhart, sec.; J. F. Mackay, treas.

Profit and Loss—

	1925	1926
Bal. forward	$202,866	$413,567
Net profits	275,615	395,272
Tax adjustment	8,672	4,152
Total	$487,153	$812,991
Div. prior pref.	3,369	37,554
Div. 1st pref.	10,466	.....
Dic. 2nd pref.	28,440	28,440
Common div.	......	144,000
Prem. pfd. stock	2,325	119
Taxes	29,075	35,693
Carried forward	$413,567	$567,185

Wm. Neilson, Ltd.

The William Neilson, Ltd., was incorporated in August, 1912, in Ontario, with a plant at Toronto. The business was established in 1893. The company manufactures ice cream and confectionery.

Capitalization—

	Authorized	Outstanding
Common	$500,000	$500,000
Pref. 7% .... (Par $100.)	500,000	500,000

Dividend Record—
Dividend of 3½% on pref. paid Mar., 1914, which rate paid semi-annually, Mar. and Sept. thereafter; recent payments quarterly, Mar., June, Sept. and Dec. 31.
Dividends of 4% each were paid on common Feb., 1917, and Mar., 1918; Mar., 1919, 5%; Mar., 1920, 6%; Dec., 1920, 6% regular and 6% extra in cash and 50% extra paid in pref. stock, Mar., 1922, 7%; Mar., 1923, 8%; Feb., 1924, 8%; Feb., 1925, 8% and bonus of 2%.

Officers and Directors—
M. Neilson, pres. and gen. mgr.; D. M. Sanson, vice-pres.; A. Neilson, asst. mgr.; C. Neilson, sec. and treas.; W. A. Mearns, pur. agt.; J. Firstbrook, W. G. Watson.

Arnold Brothers Ltd.

Firm Exemplifies the Savings Involved in the "Cash and Carry" System

Arnold Brothers, Ltd., was organized in November, 1925, to take over the business previously operated by H. Arnold and G. A. Arnold, who had been engaged in the meat and grocery business for 25 years and built up a business from one small store to five large markets before the business was taken over by the new company.

It was anticipated at the time the business was taken over that three additional stores could be put in operation before the end of December, 1925, and a further seven stores be added to the chain in 1926. Some delays were encountered in obtaining suitable locations for the opening of these new stores in accordance with the company's programme, with the result that only one store was added up to January 1 of this year; one more by March 1, and during the summer months an additional four stores were added. Another large store has been built for the company on Yonge Street, near St. Clair Avenue, and another has been constructed for the company on Danforth Avenue, which will be open for business on or about November 1.

The business is strictly cash and carry along with a prepaid mail order business which now has more than 200 customers. In this way delivery charges and credit losses are almost eliminated. Arnold Bros. operate their own meat packing plant, as well as wholesale butter and egg departments and poultry feeding station and the stock of merchandise is said to be turned over about 21 times a year. During the year a half million dollar issue of 10 per cent. cumulative preferred stock was sold in connection with the incorporation of a new firm, Arnold Bros., Ltd., to take over the assets of the partnership, Arnold Bros. The company is showing very satisfactory earnings.

Capitalization—

	Authorized	Outstanding
Common .. .. .. (No par value)	50,000 shs.	50,000 shs.
Prior Pref. .. .. .. Par $100)	$750,000	$500,000
2nd Pref. .. .. .. 8 per cent. cumulative.	250,000	235,000

Funded Debt—
None.

Dividend Record—
Prior preference, 7 per cent. per annum, payable quarterly, Feb., May., Aug., and Nov.
Second pref. 8 per cent. per annum, payable quarterly, Feb., May., Aug. and Nov.

Officers and Directors—
T. A. McAuley, chairman of the board; H. Arnold, pres.; G. A. Arnold, vice-pres.; J. A. G. Clarke, E. T. Coste, S. R. Mackellar, E. B. Hughson, sec.-treas.

Year	Average No. of Stores	Sales
1918	2	$ 365,000
1919	3	352,000
1920	3	705,000
1921	4	1,051,000
1922	4	1,388,000
1923	5	2,059,000
1924	5	2,400,000
1925	5	x2,800,000

x—Estimated.

Market Record—

	1926 H	1926 L
Common	26⅝	18
Preferred	92	86½

Dominion Stores

More Stores Have Been Added and Larger Profits Made Per Store

The constantly extending business of the Dominion Stores has made it necessary for the company to add a large number of branches and this year's program involves the addition of 15 new stores. The company started operations in 1919 with two stores and at the present time there are 415. The economies of centralization both in buying and management have been put to the test in this organization and have worked out with remarkable success. The company has continued to expand its operations throughout the country and now stretches almost from coast to coast, while the period through which the young organization was forced to pass in its early days was a very difficult one for business in general, it is probable that this had much to do with the success of Dominion Stores, since the officials found it necessary to put into operation many economies which might otherwise have been overlooked. Profits continue to grow, year by year.

During the fiscal year just closed substantial increases in the net profits of the company are shown. Last year they were $291,849 against $187,398 the previous year. The company's total sales amounted to $12,615,588 against $10,348,233 during 1924. During the current year class A. and B. preference stock was called in for redemption at $115 and accrued dividend. The class A. issue totaled $1,000,000 and of this $593,900 was outstanding at date of call. There is only $15,000 of the class B. stock outstanding. The most recent statement of assets and liabilities shows cash at $349,646 against $201,899 in the previous year. Accounts receivable and prepaid on merchandise were $67,821 against $62,738. The capital assets of the firm including buildings, real estate, etc., are shown at $641,628 against $403,030 last year.

Capitalization—

	Authorized	Outstanding
Common .... (no par value)	90,000 shs.	60,000 shs.
Pref. (A)	$1,000,000	$593,900
Pref. (B) .... (Par $100.)	15,000	15,000

Dividend Record—
Common—50 cents per share, paid April 1 and Oct. 1, 1923, 1924 and 1925. 60 cents per share paid April 1, 1926. Preferred (a) 8 per cent. per annum, payable Jan. and July. Preferred (b) 7 per cent. payable Jan. and July.

Officers and Directors—
Robert Jackson, pres.; W. J. Pentland, vice-pres. and gen. mgr.; Robert W. Jameson, treas.; Morley Smith, sec.; John B. Jameson, W. T. Bate, E. G. Wills.

Profit and Loss—

	1924	1925
Net profit	$187,398	$291,849
Pref. div.	65,012	48,562
Com. div.	25,000	46,866
Income tax	14,015	18,712
Written down	1,500	500
Surplus	$ 81,871	$176,209
Prev. balance	157,296	239,167
	$239,167	$415,376

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com.	36	24	72¾	28½	68	56
Pr. A	100	81	109	97	116	106

Pure Food Stores

Successfully Operate a Chain of Thirty-five Grocery Stores

The Pure Food Stores, Ltd., incorporated in 1922, is a company formed for the purpose of acquiring and carrying on the business of the same name originally organized under partnership in 1919. The company operates a chain of thirty-five grocery stores. Each store unit handles a complete line of groceries, including the more widely-known brands, as well as hams, bacons, and practically all the dairy products.

It is anticipated that the year 1926 will be by far the best year in the company's history. After liberal allowance for depreciation, the company earned the entire year's dividend on its preferred stock during the first two and one-half months of this year, and the prospects are that earnings on the common stock for the fiscal year, which began May 1 last, will be in the neighborhood of $5 per share.

Capitalization—

	Authorized	Outstanding
Common .... (No par value.)	25,000 shs.	11,500 shs.
1st pref. 7 per cent. (Cumulative redeemable sinking fund.)	$300,000	$175,000
2nd pref. 7 per cent. (Par $100.)	200,000	200,000

Funded Debt—
None

Dividend Record—
Dividends on 1st pref. payable quarterly, Feb., May, Aug. and Nov. 1.

Eastern Canada Stores

Controls Piggly Wiggly Stores and Systems Throughout Eastern Canada

Eastern Canada Stores was organized for the purpose of acquiring all the assets of the Montreal Piggly Wiggly Corporation, together with all the patent rights and licenses for operating the Piggly Wiggly system of merchandising food products throughout eastern Canada.

Since the acquisition was made, a very extensive expansion program has been put in operation, with the result that the company expects to have fifteen stores operating in the city of Montreal by December 1, and thirty stores in that city by the spring of 1927. It is also the directors' plan to enlarge this to a fifty-store proposition by the end of 1927, with part of the extensions in other points in eastern Canada.

The Piggly Wiggly system, as is well known, is one of the cheapest, if not the cheapest method of merchandising food products in America, and we are informed that it is the intention of the company to build this chain up to a 300-store proposition.

Eastern Canada Stores, Ltd., is a large holding company organized in July of this year, with federal charter, and an authorized preferred stock issue of one million dollars ($1,000,000) of which a sale has been authorized and practically completed of two hundred and fifty thousand dollars ($250,000) par value, seven per cent. cumulative, at $100 a share net to the treasury of the company. The company has an authorized common stock issue of 100,000 shares with 51,000 shares issued.

T. A. McAuley, Toronto, is president and chairman of the board; G. C. Drury, Montreal, is vice-president; J. A. G. Clarke is vice-president, and the directors are the above, together with E. F. Coste, Toronto; and J. J. McLean, Montreal.

Mr. McLean, who has had many years with the Piggly Wiggly Corporation of United States in a managerial capacity, is general manager of the company.

Profit and Loss—

	194	1925
Gross sales	$1,147,434	$1,388,291
Gross profits	210,902	272,828
Oper. expenses	169,944	206,656
Net profit	$ 40,957	$ 66,172

Dominion Chocolate

Further profits have been made during the year in the operations of the Dominion Chocolate Co. which was incorporated in 1920 and which purchased the Hooton Chocolate Co. of Toronto at that time. Details with regard to capitalization and dividend record of the company and the names of officers and directors follow:

Capitalization—

	Authorized	Outstanding
Common .... (Par $25.)	$1,000,000	$1,000,000
Pref. cum. 8% ... (Par $100.)	1,000,000	500,000

Preferred stock was first publicly offered ($400,000) in June, 1920, at par, carrying a bonus of 30 per cent. in common stock.

Officers and Directors—
E. B. Thompson, president; Col. S. C. Robinson, vice-pres.; J. B. Raymer, sec.-treas.; D. S. Sinclair, asst. sec.-treas.; B. F. Ackerman, F. Armstrong, David Hilton, A. R. Robinson, W. T. Bate.

160 Years of Progress

Officers and Directors:
A. E. Jones, President.
A. King—V.-President.
A. H. Whitman, Managing Director.
A. N. Jones, Secretary.
D. R. Clarke.

From modest beginnings in 1766, the present firm of Robin, Jones & Whitman now has the following TRADING ESTABLISHMENTS:— Quebec 20, New Brunswick 2, Nova Scotia 6.

Products:
Dry Codfish,
Boneless Codfish,
Pickled fish for export.

For ACADIA BRAND of Boneless Codfish apply to Robin, Jones & Whitman, Ltd., Lunenburg, N.S.

ROBIN, JONES & WHITMAN
Limited
HALIFAX, N. S.

WESTERN CANADA FLOUR MILLS COMPANY, LIMITED

AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET, 31st AUGUST, 1926

ASSETS

CAPITAL ASSETS:		
Real Estate, Buildings, Machinery and Equipment ..	$5,855,332.59	
Other Investments	38,307.74	
Patents, Trademarks and Goodwill	1.00	
		$5,893,641.33
CURRENT ASSETS:		
Accounts and Bills Receivable	$ 664,879.23	
Inventories of Grain, Merchandise, Bags, Barrels and Supplies	1,978,570.24	
Cash on Hand and in Bank	77,844.24	
Deferred Charges	41,140.08	
		2,762,433.79
		$8,656,075.12

LIABILITIES

CAPITAL:			
Authorized—			
30,000 shares 6½% Cumulative Preference Stock of a par value of $100.00 each		$3,000,000.00	
150,000 shares Common Stock of No Par Value.			
Issued—			
25,000 shares 6½% Cumulative Preference Stock of a par value of $100.00 each		$2,500,000.00	
86,250 shares Common Stock of No Par Value.		1,150,000.00	
			$3,650,000.00
CURRENT LIABILITIES:			
Bank Loans		$ 323,000.00	
Dividends payable 15th September, 1926		70,908.10	
Accounts and Bills Payable		800,351.16	
			1,194,259.26
RESERVES:			
For Contingencies, Doubtful Accounts, Income Taxes, etc.		$ 282,280.88	
Property Reserve		1,701,316.02	
General Reserve		1,221,011.64	
			3,204,608.54
PROFIT AND LOSS ACCOUNT:			
Balance, 1st September, 1925		$ 582,981.51	
Profit for fiscal year ended 31st August, 1926 ..	$328,096.22		
Less Bond Interest	47,245.41		
		280,850.81	
		$ 863,832.32	
Less Dividends for year....		256,625.00	
Balance 31st August, 1926			607,207.32
INDIRECT LIABILITIES:			
Customers' Paper under Discount ...	$1,707,338.72		
			$8,656,075.12

We have examined the books and accounts of Western Canada Flour Mills Company, Limited, and its Subsidiary Companies, whose Head Offices are situated in Ontario, and we have had produced for our inspection the Balance Sheet of The Brackman-Ker Milling Company, Limited, as at the 31st August, 1926, certified by Messrs. Buttar & Chiene, Chartered Accountants. We certify that all our requirements as Auditors have been complied with and report that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of Western Canada Flour Mills Company, Limited, and its Subsidiary Companies at the 31st August, 1926, according to the best of our information and the explanation given to us and as shown by the books of the various Companies.

Inventories have been certified as to quantities by the Companies' Officials at the various points and are conservatively valued.

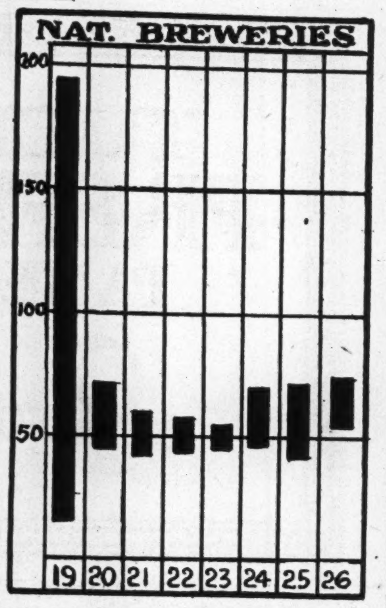
Provision has been made in respect of Depreciation, Income Taxes, Doubtful Accounts and Bills Receivable.

Toronto, 5th October, 1926.

GEORGE A. TOUCHE & CO.,
Chartered Accountants, Auditors.

National Breweries

Completed Expansion and Acquired a Great Portion of Frontenac at Beginning of Year—Thus Stock Strengthens



The reduced earnings of the National Breweries in 1925 were solely due to the disastrous beer war which broke out earlier in the year, and harassed the industry for several months. The price-cutting only ceased when the Frontenac Breweries was acquired by a group headed by Donat Raymond. The latter paid $120 per share for both the preferred and common stock of Frontenac.

In the purchase of the latter property, the National Breweries co-operated with Donat Raymond, and the price they paid for the property amounted to $1,450,000 in all. Just exactly what percentage of the shares of Frontenac Breweries is now owned by the National is not known; but investors can form some conclusion by noting that the investment account of the National Breweries jumped from $54,001 at the close of 1924 to $1,220,833 at the end of 1925. Thus, National Breweries probably owns the great majority of the Frontenac shares.

In October, 1925, in order to finance this acquisition, the old $25 par value common stock was converted into stock of no par value, and later, the shareholders were given the option of purchasing one new share at $35 for every share held. Thus, the outstanding common stock was doubled, and by the sale of the additional 90,000 shares the company was able to purchase Frontenac, improve its liquid position and re-imburse itself for extensions and additions which had been made to the property.

Over the past six or seven years, the company had expended $5,000,000 in extensions to the plant, and its programme of construction was completed at the close of 1925. The company owns plants situated chiefly in Montreal, but there are plants in Quebec City and elsewhere in the province.

It is stated that current year's earnings have been running along at a satisfactory level; thus the common stock has worked into a stronger position, influenced also, no doubt, by the improvements to the Dow plant, which have brought about increased economies and greater efficiency in operation during this year.

Formerly, there was a considerable investment interest in the stock of the Frontenac Breweries; with the completion of the deal last year, there has been no further trading in the stock, as it is held only by National Breweries and one or two individuals.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum.	$4,000,000	$2,2,775,000
Com. stock	240,000 shs.	180,265 shs.

No par value.

Funded Debt—
First mortgage 6 per cent. bonds due July 1, 1939, redeemable at 105, $1,100,000.

Dividend Record—
Preferred 7 per cent. per annum, payable 1st January, April, July and October. Common, $4 per share of par value, $25. Passed for quarter ended June 30, 1925. Resumed by payment of $1.00 per share on Jan. 1, 1926, and quarterly since. In February, 1920, 4 shares of $25 per share were exchanged for one share of $100 par.

Officers and Directors—
N. J. Dawes, president and man. dir.; J. D. Hudson, gen. mgr.; C. E. A. Boswell, Lt.-Col. G. R. Hooper, vice-pres.; G. C. Cushing, L. A. Ekers, D. Robertson, K. T. Dawes, Gen. W. O. H. Dodds, A. W. P. Buchanan, K.C.; A. D. Johnston, sec.-treas.

Profit and Loss—

Year ending Dec. 31	1924	1925
Profits	$1,072,897	$ 405,385
Deprec. res.	212,155	250,855
Bond interest	73,200	68,400
Pref. divid.	194,250	194,250
Com. divids.	360,688	180,344
Balance	$ 232,604	x$ 288,464
Prev. balance	2,672,267	2,904,872
Prof. and loss bal. ..	$2,904,871	$2,616,408

x—Deficit.

Earn. Rate:		
On common	26.32%	......
On preferred	28.38%	3.10%

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$ 417,226	$194,250	$ 664,083
1918	616,266	194,250	900,593
1919x	1,061,350	384,426	1,379,938
1920	976,609	554,938	1,618,288
1921	1,243,220	554,938	2,035,559
1922	1,254,674	554,938	2,462,592
1923	1,029,704	554,938	2,672,267
1924	1,072,897	554,938	2,904,871
1925	405,385	374,594	2,616,408

x—For 14 months.

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Bonds	103½	103½	104	104	..	..
Common	63⅝	48½	68	42	72	56
Preferred ..	106	95	110	98	110	104

Cosgrave Brewery

The Cosgrave Export Brewery Co., Ltd., was incorporated in Montreal and acquired the plant of the Cosgrave Brewery Co., Ltd., Toronto, one of the oldest breweries in Canada, having been established in 1863. For a time recently the company was in a bad way, running foul of the O.T.A. and its license was suspended. This has been renewed and shortly after dividends were resumed on a 5 per cent. basis.

The assets of the company as at Aug. 31, 1925, totaled $1,203,009. Of this, land, buildings, machinery, etc., amounted to $999,900. The 1926 figures show a slight change. Profit and loss for year ending Aug. 31, 1926, shows a profit of $48,576, and the balance forward $62,945, compared with $67,769 in 1925. The figures:

Capitalization—

	Authorized	Outstanding
Stock	$1,000,000	$1,000,000

Shares $10 each.

Dividend Record—
7 per cent. per annum, payable quarterly, Feb., May, Aug., and Nov. Increased from 6 per cent. to 7 per cent. for quarter beginning Sept. 1924, 1¼ per cent. each paid Mar. and June, 1926; 1½ per cent. Sept.

Officers and Directors—
Jas. F. Cosgrave, gen. mgr.; N. L. MacDonald, L. E. Carroll, Lt.-Col. H. A. Stewart, R. O. Petman.

Profit and Loss—

	1924	1925	1926
Profits	$102,970	$ 68,249	$ 48,577
Tax adjust.	......	45	859
	$102,970	$ 68,294	$ 49,436
Bal. forward ...	49,315	76,436	67,769
	$152,285	$144,730	$117,205
Tax res.	15,850	6,962	4,261
Dividends	59,999	70,000	50,000
	$ 76,436	$ 67,769	$ 62,945

Gooderham & Worts

Big Rise in Distillery Company's Shares—Stock Split Ten Ways

Since listing on the Toronto Stock Exchange, a little over a year ago, the shares of Gooderham & Worts have attracted a great deal of attention among speculative investors. At that time the 20,000 shares of $100 par value sold around $120, representing a total value of $2,400,000. Some months ago it was decided to split the shares ten to one, and these split shares are now selling at 33, representing a total market valuation of $6,600,000. In this connection it may be pointed out that the interest in control of Gooderham & Worts paid something over $1,000,000 for the property, land, and equipment, of the company in addition to assuming a mortgage of around half a million dollars.

The present firm of Gooderham & Worts, Ltd., was incorporated at the close of 1923 and took over the plant on the last day of that year. The distillery was closed by the old firm in 1916 and was idle in the interval. Since operations have been recommenced, facilities have been steadily extended and improved, but it will still be some time before sufficient stock has been accumulated to produce the best in the way of net profits. In the meantime equipment is being steadily improved and replaced, looking to bringing the plant up to thoroughly modern standards. This is being done out of earnings, and it is not anticipated that there will be any additional capital financing. For this reason shareholders should be prepared to wait for dividends which would justify the present price of the stock. It is believed that earnings are equivalent to $7 a share on the new stock and, eventually, the present price and, perhaps, a substantially higher price should be justified.

The Gooderham business was originally started by William Gooderham in 1832, and continued by him until 1883, when Gooderham & Worts, Ltd., was incorporated. This company continued until 1916.

Capitalization—
Stock issued, 200,000 shares (no par value). In August, 1926, the shares were split ten shares for each one of $100 par outstanding.

Funded Debt—
None.

Officers and Directors—
H. C. Hatch, pres.; W. H. Mara, Harcourt Ferguson, K.C., E. D. Gooderham, Duncan McLeod, F. S. Harris, sec.

Timmins Limited

Established in 1871 by the late Mr. Timmins, and later conducted by his son, J. J. Timmins, under the name of Timmins & Son, Timmins, Ltd., has been fifty-five years one of the leading firms in Quebec City for the manufacture of quality ginger ale and other aerated waters. The company owns a mineral spring well, which insures low cost manufacture. The company is also sole agent in Quebec City for National Breweries, Ltd.

Capitalization—	Authorized	Outstanding
Common	$95,000	$95,000

(Shares, $10)

Funded Debt—
First mortgage bonds, 6½ per cent. due 1940 ... ... $28,000

Officers and Directors—
J. Timmins, pres.; C. E. A. Boswell, vice-pres.; Marc Langelier, sec.; A. P. Hamilton, gen. mgr.; J. L. Apedaile, R. Chenevert, C. G. Dunn, E. Turner, J. P. Hempf, H. Fontaine.

Food Products Prices Lower on the Average

The trend of prices in the food products has been generally downward but there has been a marked rise in the price of certain commodities. The total of 74 foods and beverages compiled by the Bureau of Statistics stands at 151.4 as against 157.2 a year ago and 158.7 a month ago. Vegetable products as a group declined from 175.8 a year ago to 170, but fruit increased from 167 a year ago to 208 in July this year. The rise is chiefly attributed to the increase in the price of domestic fruits. The index number of these rose from 137 to 229 while the price of foreign fruit declined. Dried fruit also declined from 192 to 155. The index number of flour and milled products rose during the year from 166 to 171.5 and most of this rise took place during the past two months. Bakery products rose due to the increased cost of flour and the index number stood at 205 in July as against 191 a year ago and 191 a month ago. It is evident from the foregoing statement that the prices of manufactured food products are rising rapidly, while the prices of fruit and some vegetables are on the decline. The net effect is a slight recession in the price of food commodities.

May Get Another 10 Bushels

Agriculture embraces one-third of the national wealth of Canada, according to S. Archibald, director of the Dominion Experimental Farms. "It is quite possible," he said, "that, with no more acreage than the present twenty-two millions under wheat cultivation in Canada, an increase from ten bushels per acre in production, may be secured."

PACKING HOUSES STILL SUFFERING FROM DEPRESSION

(Continued from page 17)

for their product, due to competition abroad. At the present time farmers in both countries are being encouraged to increase the production of hogs as well as to spread the breeding period over the entire year, rather than confining it to the spring and fall as formerly. It is to be hoped that such a change will gradually adjust supply to demand, rather than by the dropping out of few when prices recede than by wholesale cutting down of production. However, there is still a falling off in the number of marketings of hogs week by week.

It is difficult to generalize with regard to the business of Canadian packing houses during the past year, as few of the companies have yet had their annual meetings. In fact it is rather unsafe to generalize in any respect in regard to this industry since certain of the companies are specializing in domestic business more than others, and do not feel the same effect of European conditions. From what information can be gathered to date, it would appear that some improvement has taken place already in the situation, and further improvement is expected within the next year. The industry, however, is not yet entirely out of the unfavorable period in which it has found itself during the past years.

Homestead Entries Greater

WINNIPEG.—Homestead entries in Western Canada this year continue to show steady increases from month to month, as compared with last year. During the month of August 478 entries were made, as against 270 in the same month of 1925, an increase of 208. During the past month Alberta led with 213 entries, followed by Saskatchewan with 190, Manitoba, 61, and British Columbia 14. All provinces show substantial increases.

compliments of

THE
NATIONAL BREWERIES LTD.
MONTREAL

DOW
Old Stock Ale

DAWES
Black Horse Ale

EKERS
I. P. Ale

MacLean's Advertising Rates Will Be Increased December 1st

Advertisers Who Buy Before That Date Will Receive a Bonus of 10,000 Circulation Absolutely Free

New Guarantee will be 100,000 A.B.C.

MacLean's Magazine is forging right ahead. Constantly increasing popularity in all parts of the Dominion has brought already this year another 10,000 new subscribers. To meet this pace the advertising rates will have to take a forward step.

The Circulation guaranteed to advertisers in 1924 was 70,000
For 1926 it was advanced to 90,000
And now for 1927 it is announced as in excess of 100,000

Present Rate
80 cents a line
Based on a guarantee of
90,000
Net Paid A.B.C.

New Rate
90 cents a line
Based on a guarantee of
100,000
Net Paid A.B.C.

Every Eighth Home

The remarkable place that MacLean's has won for itself in the national and commercial life of the Dominion is apparent in the fact that—

In every city, town and village of 1,000 population and over, throughout English-speaking Canada, MacLean's reaches an average of every eighth home.

Manufacturers, Advertisers and Agency Men are invited to write for free copy of our new booklet "Paralleling the Purchasing Power."

While contracts for space at the new rate will carry a circulation guarantee of 100,000 net paid A.B.C., the actual circulation during 1927 will undoubtedly average from 110,000 to 115,000 copies each issue.

And all this extra circulation—everything above 90,000—will be given absolutely free for 12 months to advertisers who place their contracts before December 1st, 1926.

Orders placed now will be accepted at the old 80-cent rate to cover space to be used up to and including issue of November 15th, 1927—subject to the customary stipulation that first insertion must appear within 60 days of date of contract.

No Orders at Present Rates Accepted After Wednesday, December 1st, 1926

1st and 15th of Every Month

MACLEAN'S
"CANADA'S NATIONAL MAGAZINE"

10 cents a copy
$2.00 a year

Food Products

ST. LAWRENCE FLOUR DID NOT EARN DIVIDEND

Earnings Improved But Still Not Equal to Requirements

MONTREAL.—For the year ending August 31, last, the St. Lawrence Flour Mills Company turned its operating loss of last year into an operating profit; but such profits were not sufficient to meet both depreciation and preferred dividend requirements. Thus, the profit and loss surplus for the year showed a reduction of $4,672.

Changes in the balance sheet include reductions in cash and bills receivable accounts with a material increase in inventory. Accounts payable show a reduction, but bank loans have increased about $85,000 — an amount about equivalent to the increase in the inventory on the opposite side of the balance sheet. These changes have resulted in an increase in the working capital, but there is little change in the ratio between current assets to current liabilities.

At the annual meeting, the directors' report was read by the president; it stated that results of the past year showed an improvement but that price-cutting in the industry had kept the profits at a low figure. The output of the mill was 29,080 barrels in excess of the preceding year. The properties were reported to be in a high state of efficiency.

Competition Not So Keen

The vice-president, T. Williamson, was asked if he could give the shareholders some idea of the outlook for the present year. Mr. Williamson said that he was glad that the terrific competition between the mills had now stopped and for the future saner methods will apply to the sale of flour.

The election of directors brought one change in the board. C. J. Fleet. K.C., resigned due to ill-health and Charles H. Branchaud was elected, defeating J. H. Cameron. The latter was represented by approximately 4,000 shares, but he represented a minority group and was not elected. Mr. Cameron asked several questions which were answered to the satisfaction of the meeting by Mr. Williamson Some time ago, Mr. Cameron asked for proxies for the meeting and at that time it was thought that some additions to the present board would have resulted.

The comparison of income account. and working capital figures over the past three years show the results achieved during the year:

	1925-26	1924-25	1923-24
Profits	$ 54,554	*$ 98,300	$145,900
Bond int.	5,476	5,608	5,790
Net income	$ 49,078	‡$103,908	$140,110
Pfd. divs.	40,250	40,250	40,250
Balance	$ 8,828	‡$144,158	$ 99,860
Com. divs.	....	30,000	72,000
Balance	$ 8,828	‡$174,158	$ 27,860
†Taxes	....	13,117	7,341
Balance	$ 8,828	‡$187,275	$ 20,519
Depreciation	13,500	66,620	....
Balance	‡$ 4,672	‡$253,895	$ 20,519
Prev. balance	163,497	417,392	396,873
P. & L. balance	$158,825	$163,497	$417,392

*—Operating loss.
‡—Debit.
†—For preceding year.

Working capital—

	1926	1925	1924
Curr. assets	$626,221	$528,540	$567,456
Curr. liabs.	413,993	348,074	195,295
Work. cap.	$212,228	$180,466	$372,161

WESTERN CANADA FLOUR MILLS MADE BETTER SHOWING

(Continued from page 5)

187 last year, while bank loans this year stand at $323.000, against nothing under this head a year ago. Dividends payable this year amount to $70,908, against $57,500 last year. A further item of bond interest, $26,041, which appears in last year's report, does not appear in this year's statement. Inventories this year are shown at $1,978,570, against $1,751,997 last year, and accounts and bills receivable are $664,879, against $525,804 a year ago.

Cosgrave Brewery Profits About Equal to Dividends

Cosgrave Brewery, for the year ending August 31, 1926, showed a profit of $48,576. After taking care of dividends and income tax reserve there remained a balance to be carried forward of $62,-945, as compared with $67,769 for the previous year. The company paid $50,-000 in dividends during the year. The balance sheet shows liquid assets of $131,915. Lands and buildings are shown at $1,063,002, less depreciation $46,748, or a net of $1,016,254. Current liabilities stand at $122,500, including $61,365 mortgage and interest.

Cuban Canadian Sugar

MONTREAL.—While the fiscal year of Cuban Canadian Sugar Company ended on June 30, last, it will probably be several weeks yet before the report is available for the shareholders. With an almost record low level of prices for raw sugar prevailing this past year the earnings of the company will be very unfavorable. During the past couple of months or so, however, conditions have started to improve and with restricted grinding for the current year, as by law, the company's profits should be higher.

B. C. Fishing Lower

B. C. Fishing has been weaker. There has been some confusion as to the question of the catch and reports of recent good catches in the Fraser River seem to have been exaggerated into something which might make a radical difference in the success of the year. It seems, however, that these recent catches are of a kind of secondary run, and of no measurable importance beside the big run of the season, which takes place in July.

Arnold Brothers Secure A Down-Town Warehouse

At a meeting of the directors of Arnold Bros., H. A. Arnold, president, reported that a large central warehouse in the downtown district has been obtained, with excellent trackage facilities adjoining. in which the company would hereafter centralize their warehousing of merchandise instead of having it distributed at the various stores, which has been the policy up to date. This warehouse has suitable office space for the company's management and general staff.

Mr. Arnold stated to the meeting that eleven stores were now actually in operation and that the new store on the corner of St. Clair and Yonge Streets would be open for business in approximately three weeks; also that another store on Danforth Avenue would be open for business inside of thirty days.

HAMILTON DAIRIES

Over half of the $750,000 Hamilton Dairies issue has been taken up, according to Denman & Co. The entire success of the issue is believed to be assured. The success of similar consolidations in Toronto, Montreal, Winnipeg and other cities gives reasonable assurance of substantial profits. After completion of this financing, the company will have a capital structure, including $1,500,000 preference stock authorized, and $750,000 issued, and 50,-000 shares of common stock authorized, and 26,000 shares issued. There are no bonds.

EUROPE HAS SMALL CARRYOVER OF WHEAT

Will Need Half a Billion Bushels From Canada and U.S. in 1926-27

In spite of the abundant crops of a year ago, Europe has no large carryover of old wheat, and the indications are that this season it will have a crop at least 225,000,000 bushels below that of 1925-26, exclusive of Russia, states the current issue of the Guaranty Survey, published by the Guaranty Trust Company, of New York. It is estimated that Europe will purchase about 560,000,000 bushels of foreign wheat and other countries 144,000,000 bushels, a total of 704,-000,000 bushels. Canada and the United States must furnish probably 500,000,000 bushels of this amount.

It is now estimated that the United States will have available 200,000,000 bushels for export during 1926-27. The balance, or 300,000,000 bushels, is expected to come from Canada, but from present indications it is doubtful if the surplus will be that great.

In forming an opinion as to probable price levels for the present crop year, consideration must be given to the whole world's outlook. Although wheat is a staple food, the demand for it is not unvarying. The Europeans apparently learned during the war to consume less when they produced less. The demand for wheat will be, no doubt, decreased to some extent by the restrictive measures which several European governments are introducing to curtail the consumption of wheat.

Large European buying early in the season has helped to prevent a marked decline in what prices, although the movement in the last few weeks has been gradually downward. Europe has adopted a waiting attitude, anticipating lower prices on the basis of reports from Canada which indicate a large crop. The future of the market will depend in a great measure on whether the final output of Canadian wheat turns out to be near the maximum or minimum estimates of 400,000,000 and 350,00,000 respectively.

William Davies Should Experience Better Business

Better conditions in the export meat trade is now anticipated by the Canadian packing plants with the collapse of the mine strike in England. Buying power of the British public has been curtailed to a considerable extent by the labor tie-up and very keen competition has developed, particularly from continental exporters of bacon. Prices have been forced down and profits have been brought to a very narrow margin where they have not disappeared altogether.

The British market has always provided a substantial outlet for the Canadian packing concerns and the conditions which have prevailed have had a direct effect on the earnings of such concerns as the William Davies Company. On the other hand, the American business of the Davies Company has been much improved. The company's position it is expected should be helped by any settlement of the British labor trouble, although the indications are that buying power will recover very slowly under the conditions now prevailing.

TUCKETTS
PREFERRED
PANETELAS
2 FOR 25¢
PA-5

White Coal—

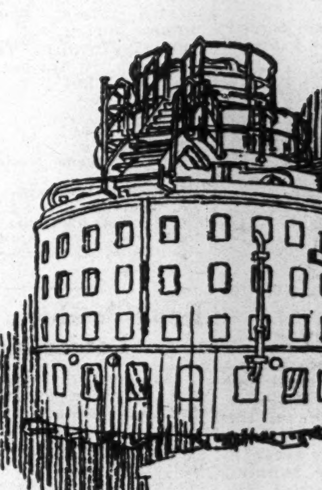
NO other single factor has done so much toward the upbuilding of Canadian industry as the abundance of inexpensive hydro-electric power.

Canada has, with one exception, the greatest per capita water-power development of any nation in the world. The estimated total production of horse-power would be the annual equivalent of 29,000,000 tons of coal.

The Queenston-Chippawa development alone possesses an ultimate capacity of 550,000 horsepower. In this plant may be seen some of the largest generators and turbines in the world.

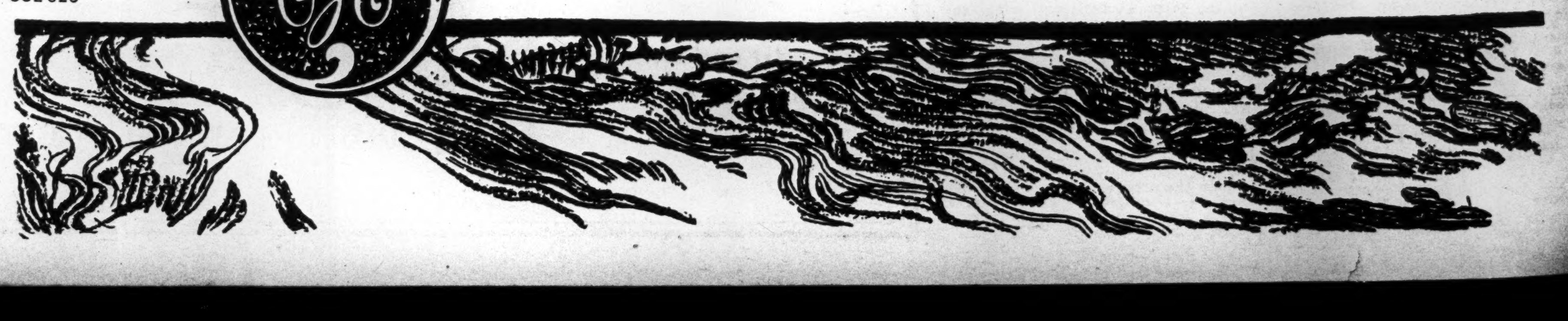
The Canadian General Electric Company is responsible for developing and manufacturing much of the electrical generating equipment in use in Canadian power-plants at the present time, as well as the varied apparatus required for the transmission of electric current.

Thus it will be seen that Canadian General Electric Company has been privileged to make a very definite contribution to the welfare of Canadian industry — by assisting in the transformation of "white water" into "white coal."



CANADIAN GENERAL ELECTRIC Co. Limited
HEAD OFFICE, TORONTO

CGE 626



TO EDUCATE THE RETAILERS AND BUYING PUBLIC

Object of the Campaign Planned by National Grocers

"I believe the future of ourselves and customers depends entirely upon the manner in which we help the retailer to succeed," says A. Foster, president of the National Grocers, Limited, the firm which recently started upon a big spirited drive to help the independent grocer. There is a growing recognition by wholesalers that their responsibility does not end with the mere selling of their products to grocers, but rather extends to the consumer acceptance of independent merchants as the source of supply in the community. With this end in view National Grocers have recently opened up an Independent Grocers' Service Bureau, who publish the National News, and are conducting a provincial wide advertising campaign. This spirit of mutual aid and mutual benefits will undoubtedly be far reaching in its effects. It will extend on the part of Independent Grocers' Service Bureau even to the encouragement of research on distribution phases at our universities. Mr. Foster explains:

"The purpose of the campaign is to sell the grocer and the service he performs to his community. To sell the grocer to himself, to quicken his confidence; to bring him the latest in grocery knowledge and ideas; to improve his methods, his store and his sales possibilities; in short, in every way to work closely for our mutual success," says Mr. Foster. "The incoming of the chain store, which has done more than any one thing to evolutionize a system of distribution, has brought independent grocers to their feet. Competition between chain and independent grocers in recent years has been very keen, and it is becoming keener. Many independent grocers have in recent years been forced to the wall, particularly in the larger cities, where chain store competition has been keenest. With the comparative ease of entry into the grocery business, many ill-equipped merchants have started up. Some survive in a struggling way, many die out. At any rate, the demoralized condition of the grocery business has reacted upon wholesalers and manufacturers. National Grocers Company is in part an answer to the problem in Ontario.

"National Grocers constitute a chain of wholesalers, which, through zoning of distribution and mass purchasing power, together with a new service, are placing the independent grocer in a position to compete more favorably and easily with the chain store. The important point is that National Grocers have realized that the grocers' problem is their problem—that problems of buying, of organizing, and of directing sales of grocers, are wholesalers' problems. National Grocers have started an Independent Grocers' Service Bureau, under the direction of A. A. Simpson, to aid the independent merchant.

"Old methods are being scrapped, and the day of the medieval grocer has passed. The recognition by National Grocers that the retail grocers' problems are their own spurred National Grocers to utmost co-operation with the retail grocer. As a result, throughout the province a new sense of responsibility of service has overcome the independent grocer and at the same time National Grocers are building a lasting goodwill with the independent grocer.

"A very interesting part of the campaign which the Independent Grocers' Service Bureau is running is the appeal to community spirit, stressing the menace of the chain store to the community. Admittedly in the past the backbone of our communities has been the independent merchant. Mass production has brought with it mass distribution. The chain idea has been a success in the big city, where it can effect economy in the service to masses. It came in 1919 at a time when distribution costs were high. Can it, however, do the same in the small town, especially now when distribution costs have been cut?"

Increase the Income From Your Property

by placing your affairs in the hands of experienced executives. A very interesting booklet, "Your Property Income", explains this service in detail.

A copy will be mailed upon request.

THE STERLING TRUSTS CORPORATION
10-12 East King St., TORONTO
Branch:—REGINA

G. & W. HOLDERS ARE SPECULATING AS TO WET POLICY

(Continued from page 1)

necessarily imply that the stock of the second company is selling high. It weathered the recent reaction with the best and indicated that the distribution was wide.

No statement of earning is available for G. & W. Estimates of about $1,500,000 are heard. Little is yet known what the dividend policy will be. The old stock yielded $6 per share which is equivalent to 60 cents per share on the new. The president of the company is, we are informed, on his way back from England, and a meeting of directors will be called within a month, since the quarter will end Dec. 15, and a dividend policy will be decided upon.

G. & W., whose plants were idle for some time, shows total assets of $2,520,000. On this basis G.& W. would appear to be over valued, although it must be borne in mind that fixed assets of G. & W. will be constantly improved and brought up-to-date and appreciate in value. With the present high rate of earning, the market expects action on the G. & W. common. Many look for a higher return. On the other hand the directorate might feel that a prime need is improved equipment, and that an early increase in dividend would not be in the best interest of the company.

A very large block of G. & W. shares are closely held, and are not likely to be affected by any immediate happenings.

September Business in U.S. Ahead of Preceding Year

Measured by the volume of check payments, business in the United States during the four weeks of September was substantially ahead of the preceding year, according to a weekly statement issued by the Department of Commerce. Distribution of goods continued to register new high marks, as seen from figures on carloadings. New building contracts were larger than last year. The production of bituminous coal and beehive coke also registered advances over the preceding year. Lumber output, however, was smaller. The production of petroleum was larger in September than in either the previous month or September a year ago.

Receipts of cotton into sight were smaller than last year, while cattle receipts were larger. Receipts of wool at Boston showed substantial declines from a year ago, but hog receipts were about on the same level. Exports of wheat and wheat flour were substantially larger than in September a year ago, while corn exports showed little change.

SOME OF SILVER STOCKS SEEM TO BE UNDULY LOW

(Continued from page 8)

had a serious break. The decline in silver is blamed but the present price level is out of proportion to the silver drop. It may be that some feel that the dividend may be in danger. This may be true, if the silver decline continues indefinitely, which is not expected. The South Lorrain operation of the company is in a strong position in regards high grade ore. Costs are such that the company can make a good profit on 56 cent. silver. Nipissing has held up fairly well, due to the interest in its new Lorrain property and its operation in Quebec. Noranda shares are a little weaker, but this is to be expected. Teck Hughes is holding up well. One of the remarkable markets of the year has been in Vickers. The table below shows this. There was a cleanup of the market and the stock is quite scarce. Meanwhile, the company has been working into a strong position in regard to properties and looks to have a good future.

Vipond share are holding well. The figures:

	Jan. 1	July 1	Oct. 1	Pres.
Amulet	1.67	1.31	1.44	1.40
Argonaut	.41	.21	.36	.43
Area	.27	.28	.30	.26
Barry H.	.26	.47	.69	.69
Beaver	.54	.77	.88	.85
Can. Lorrain	.75	.92	.67	.64
Capitol	.38	.35	.34	.29
Castle	1.55	1.49	1.26	1.21
Coniagas	4.50	3.70	4.25	4.40
Coniarum	4.45	3.30	3.75	4.05
C. W. Dome	.24	.16	.21	.24
Dome	16.85	12.85	10.40	9.00
Goldale	.39	.27	.34	.34
Gold Hill	.37	.60	.50	.46
Hollinger	17.60	19.60	19.00	18.90
Keeley	1.68	1.44	1.54	1.47
Kirkland Gold	.87	1.00	1.06	.98
Lake Shore	9.70	11.25	14.00	14.10
La Rose	.38	.12	.07	.06
McKinley	.26	.15	.10	.10
McIntyre	22.80	25.15	24.50	23.60
Mining Corp.	3.40	3.48	3.16	2.91
Nipissing	6.90	5.20	5.60	5.50
Noranda	15.70	15.40	18.45	18.75
Premier	2.20	2.08	2.05	2.05
Teck-Hughes	2.85	3.75	4.70	4.65
T. Oakes	.56	.40	.42	.46
Vickers	.13	.39	.86	.92
Vipond	1.68	1.76	1.71	1.71
W. Hargreaves	7.95	8.30	8.65	8.40
Laval	.43	.26	.25	.25

Year's Quota of 3,000 Family Scheme Filled

WINNIPEG. — Improvement in immigration this year over last, is seen in the statement made by Major R. W. Gyles, of the Department of Immigration and Colonization, that the 1926 quota of the 3,000 family scheme has been already exceeded.

Major Gyles announces that 1,009 families have been brought to the Dominion from the British Isles during the past year. These families, comprising in all about 5,500 persons, were settled on farms in the four western provinces.

"The scheme as a whole gives every promise of being successful," Major Gyles said. Recent estimates, he added, had shown that at least 85 per cent. of those brought over were satisfied with their lot. A few families, however, had been unable to adapt themselves to farm life on the prairies and the majority of these had reverted to their former trades, and had in such a manner been satisfactorily assimilated.

Mining Industry Prosperous

WINNIPEG.—Addressing a gathering of business men at a luncheon called by Mayor Webb, Dr. Charles Camsell, Deputy Minister of Mines, said: "In no country in the world is there a better outlook in the mining industry than in Canada, and we may expect the industry to expand and that rapidly." He based this opinion, he said, not only on the vast unprospected territories but on the almost unbelievable increased demand in the world to-day for new mineral resources.

Capital: $1,000,000
Reserve: 350,000

Complete Trust Service

covering

Wills and Trusts
Mortgage Loans
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults

THE EASTERN TRUST COMPANY

Head Office—Halifax, N.S.
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL—138 St. James St.
23

EXPERIENCED INVESTORS

are familiar with the financial background of the Canada Permanent, and appreciate the merits of Canada Permanent Bonds. For more than half a century, these Bonds have been a favorite investment of thousands of people who wish to rest secure in the knowledge that their money is safely invested.

The Bonds are now being issued in sums of $100 and upwards for periods of from one to five years. They bear interest at

FIVE PER CENT.

per annum, payable half-yearly.

Please let us send you full particulars of these time-tested Bonds.

They are a Legal Investment for Trust Funds.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 Toronto Street Toronto 2
Established 1855

Expansion of Current Loans of Canadian Banks Continue

Further expansion of Canadian business is indicated by the continued increase in the current loans of the chartered banks as reported in the government return for the month of August. Demand deposits at the end of August amounted to $532,475,594, which is $6,601,168 less than the demand deposits reported at the close of July. Notice deposits on the other hand were larger by $13,206,940. A comparison with August, 1925, however, showed substantial gains in both items, demand deposits this year being greater by $37,914,562, while notice deposits showed an increase of $81,741,266. Total deposits in Canada were greater for the month by $6,605,772, and in comparison with August, 1925, increased by $119,655,828. Call loans in Canada decreased by $532,018 from July, and increased by $27,805,603 over August, 1925. Current loans in Canada increased by $3,772,387 during August, but increased over August, 1925, by $66,338,336.

BANK STATEMENT FOR MONTH OF AUGUST

	Aug., 1926 $	July, 1926 $	Change $	Aug., 1925 $	Change $
Immediately Available Liquid Resources — Assets					
Specie	64,005,002	61,739,101+	2,265,901	56,915,655+	7,089,347
Dom. Notes	112,820,117	111,694,058+	1,126,059	134,925,741—	22,105,624
Gold Reserves	68,210,332	62,010,332+	6,200,000	57,860,332+	10,350,000
U. K. Banks	11,343,790	11,551,392—	207,602	8,302,395+	3,041,395
Foreign Banks	61,445,400	62,143,520—	698,120	56,540,460+	4,904,940
Foreign Curr.	24,228,102	24,127,132+	100,970	26,880,447—	2,652,345
Govt. Secs.	343,313,924	344,270,556—	956,632	365,820,226—	22,506,302
Call Loans Abroad	245,193,882	238,610,806+	6,583,076	226,778,818+	18,415,064
	930,560,549	916,146,897+	14,413,652	934,024,074—	3,463,525
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	124,087,959	126,549,252—	2,461,293	146,023,334—	21,935,375
Rly. Secs.	60,769,703	59,372,201+	1,397,502	59,190,974+	1,578,729
Can. Call Loans	139,068,541	139,600,559—	532,018	111,262,938+	27,805,603
Current	945,274,265	941,501,878+	3,772,387	878,935,929+	66,338,336
Loans Abroad	261,404,476	255,572,444+	5,832,032	220,890,707+	40,513,769
Prov. Loans	12,863,440	16,234,319—	3,370,879	14,953,535—	2,090,095
Municipal	70,150,651	70,363,004—	212,353	65,108,217+	5,042,434
	1,613,619,035	1,609,193,657+	4,425,378	1,496,365,634+	117,253,401
Other Assets					
Non-curr. Loans	9,649,439	9,592,611+	56,828	11,049,738—	1,400,299
Real Estate	8,325,017	8,210,137+	114,880	8,742,331—	417,314
Mortgages	5,691,797	5,755,567—	63,770	4,675,790+	1,016,007
Premises	71,369,679	71,223,805+	145,874	73,288,438—	1,918,759
Lets. of Credit	70,342,321	72,487,636—	2,145,315	60,133,524+	10,208,797
Loan to Comp.	5,682,777	5,432,030+	250,747	5,556,751+	126,026
Other Assets	2,944,863	2,963,224—	18,361	8,778,031—	5,833,168
	174,005,893	175,665,010—	1,659,117	172,224,603+	1,781,290
Total	2,718,185,477	2,701,005,564+	17,179,913	2,602,614,311+	115,571,166
Note Cir. Dep.	5,760,453	5,748,000+	12,453	5,792,783—	32,330
Int. Bank Bal.	122,298,851	136,061,675—	14,762,824	117,011,414+	5,287,437
Gross	2,846,244,781	2,842,815,239+	3,429,542	2,725,418,508+	120,826,273
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
Circulation	167,047,033	171,515,803—	4,468,770	164,253,845+	2,793,188
Dom. Govt.	47,111,233	41,543,408+	5,567,825	27,013,289+	20,097,944
Prov. Govt.	16,425,447	22,630,381—	6,204,934	18,930,775—	2,505,328
Govt. Advances	14,300,000	16,000,000—	1,700,000	20,200,000—	5,900,000
Deposits by Public					
Demand Dep.	532,475,594	539,076,763—	6,601,169	494,561,032+	37,914,562
Savings Dep.	1,343,116,753	1,329,909,816+	13,206,937	1,261,375,487+	81,741,266
Total	1,875,592,347	1,868,986,579+	6,605,768	1,755,936,519+	119,655,828
Foreign Dep.	323,885,477	323,945,246—	59,769	354,131,734—	30,246,257
Due Banks Abroad, Etc.					
United Kingdom	6,796,306	6,607,618+	188,688	6,854,091—	57,785
Foreign	33,379,170	33,296,212+	82,958	34,749,328—	1,370,158
Bills Pay.	13,261,826	11,761,718+	1,500,108	10,548,484+	2,713,342
Lets. of Credit	70,342,321	72,487,636—	2,145,315	60,133,524+	10,208,797
Other Liabilities	1,768,123	1,771,235—	3,112	1,312,070+	456,053
Public Lia.	2,569,909,283	2,570,545,835—	636,552	2,454,063,659+	115,845,624
Due Bet. Banks	10,283,666	10,262,937+	20,729	10,711,545—	427,979
Liability to Shareholders					
Dividends	2,665,340	1,319,637+	1,345,703	2,688,619—	23,279
Reserve	125,441,790	125,441,700+	90	122,191,700+	3,250,090
Capital	117,064,531	116,993,431+	71,090	120,164,660—	3,100,139
Gross	2,825,364,600	2,824,563,540+	801,060	2,709,820,183+	115,544,417

CANADIAN SERVICE FROM MONTREAL

"We thought Cunard service would cost more — but it doesn't. How lucky! We booked return, of course."

Cunard ANCHOR-DONALDSON LINE

Particulars from
The ROBERT REFORD CO.
Limited
TORONTO
(Phone Elgin 3471)
or any STEAMSHIP AGENT

Thinking it over

Have you thought about the future welfare of your dependents? Do you know beyond a doubt that your property, your investments, your business affairs will be so expertly handled as to ensure for them a permanent income?

Serious thought on this subject naturally leads to the organized trust company as the ideal executor for ensuring safety for your dependents.

If you have not already availed yourself of the expert trust service of this institution, you are invited to come in and discuss the matter, without obligation or cost.

THE CANADA TRUST COMPANY
"Faithful, Permanent and Impartial"

Branches in five Provinces
London, Toronto, Windsor, Chatham, St. Thomas, Winnipeg, Regina, Edmonton and Victoria.
T. G. Meredith, K.C., *Chairman of the Board.*
Hume Cronyn, *President;* M. Aylsworth, *General Manager.*

Return of the Chartered Banks of the Dominion of Canada, August 31, 1926

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation $	Due to Dominion Government $	Advances under Finance Act $	Due to Provincial Gov'nm'ts $	Demand Deposits in Canada $	Notice Deposits in Canada $	Deposits elsewhere $	Bal. due to other Banks in Canada $	Due to Banks in U.K. $	Due to Banks elsewhere $	Bills Payable $	Letters of Credit $
Montreal	43,795,628	27,439,220	....	4,057,342	133,102,257	381,960,655	77,089,547	2,170,309	891,690	4,403,172	943,058	9,539,035
Nova Scotia	14,289,117	1,438,362	....	669,108	32,298,261	118,604,802	34,067,205	1,945,719	249,765	1,038,486	584,964	5,882,120
Toronto	7,336,853	333,255	....	317,040	28,823,057	54,125,790	....	227,172	208,413	1,400,152	1,803,886	1,540,227
Provinciale	4,166,088	172,738	....	257,342	5,411,673	31,090,674	....	431	....	10,911	....	10,410
Commerce	26,037,938	8,502,311	3,000,000	3,250,246	107,305,837	216,699,676	40,115,722	307,411	2,819,655	8,893,488	1,970,858	17,101,846
Royal	36,254,044	5,442,962	2,000,000	3,756,424	130,084,326	279,353,446	169,920,257	2,592,418	1,846,400	15,452,452	7,694,312	30,926,150
Dominion	7,165,353	1,217,421	4,000,000	248,192	26,815,568	61,232,465	1,525,253	751,075	187,870	1,040,099	264,748	3,772,293
Standard	6,087,235	320,677	3,300,000	245,631	18,170,342	49,577,264	....	1,297,824	296,536	555,731	....	433,903
Nationale	11,698,334	903,680	2,000,000	1,588,199	20,863,470	84,056,463	1,167,493	4,563	127,313	424,706	....	564,952
Imperial	9,691,373	1,272,391	....	2,008,779	27,927,165	64,216,651	....	986,723	168,664	140,091	....	571,385
Weyburn Security	525,070	68,216	....	27,144	1,673,638	2,198,867	....	21	....	19,882	....	....
Total	167,047,033	47,111,233	14,300,000	16,425,447	532,475,594	1,343,116,753	323,885,477	10,283,666	6,796,306	33,379,170	13,261,826	70,342,321

NAME OF BANK	Other Liabilities $	Dividends Declared & unpaid $	Reserve Fund $	Capital paid up $	Total Liabilities $	Capital authorized $	% last dividend %	Loans to Directors $	Average gold and Coin Held $	Average Dominion Notes held $	Greatest amount notes in circ $
Montreal	787,900	908,316	29,916,700	29,916,700	746,921,536	31,175,000	12	2,309,410	23,147,454	46,729,995	45,068,191
Nova Scotia	73,364	4,276	19,500,000	10,000,000	240,645,555	15,000,000	16	1,318,271	9,254,652	8,282,987	14,731,672
Toronto	216,246	151,217	7,000,000	5,000,000	108,483,312	10,000,000	12	624,674	416,773	5,491,989	7,866,790
Provinciale	12,038	84,320	1,500,000	3,899,861	46,616,490	5,000,000	9	....	204,489	295,392	4,391,398
Commerce	....	605,115	20,000,000	20,000,000	476,610,107	25,000,000	12	4,734,619	17,243,000	14,892,000	27,670,353
Royal	40,666	746,912	24,400,000	24,400,000	734,910,775	30,000,000	12	2,103,644	11,406,254	17,869,916	38,014,936
Dominion	461,872	1,973	7,000,000	6,000,000	121,684,186	10,000,000	12	799,215	2,140,000	4,084,000	7,568,764
Standard	176,072	5,462	2,900,000	4,823,400	88,190,082	5,000,000	12	563,742	583,927	2,971,587	6,275,055
Nationale	....	138,859	5,500,000	5,500,000	134,538,038	10,000,000	10	131,340	826,088	1,337,740	12,145,104
Imperial	....	5,776	7,500,000	7,000,000	121,489,003	10,000,000	12	544,680	952,145	5,817,347	10,484,478
Weyburn Security	....	13,114	225,000	524,560	5,275,516	1,000,000	5	127,726	23,022	60,407	586,840
Total	1,768,158	2,665,340	125,441,700	117,064,521	2,825,364,600	152,175,000	.....	13,257,321	66,197,804	107,833,360	174,803,581

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin $	Dominion Notes $	Notes of other banks $	United States and other foreign currencies $	Cheques on other banks $	Balances due from banks in Canada $	Due from banks elsewhere $	Government securities $	Canadian municipal British and foreign Securities $	Railway and other bonds and stocks $	Call loans in Canada $	Call loans elsewhere $
Montreal*	27,817,081	42,956,455	3,792,851	1,267,304	24,259,078	141,245	16,237,113	90,098,249	27,915,672	2,778,780	12,011,980	145,254,145
Nova Scotia	9,287,069	8,986,641	1,106,921	2,100,182	10,719,509	2,374	2,517,595	31,302,185	10,810,312	15,112,900	18,636,443	15,191,575
Toronto	462,391	6,547,955	498,755	143,440	4,577,621	....	2,219,454	19,558,320	4,970,487	3,064,934	6,717,191	500,000
Provinciale	210,687	341,864	714,840	130,586	1,584,216	3,501,877	353,955	4,860,909	1,280,460	3,530,318	9,753,524	....
Commerce	9,848,761	13,601,270	2,402,845	1,848,789	14,733,624	685	15,075,935	56,708,790	25,228,820	9,331,564	26,870,934	28,419,518
Royal†	11,663,157	23,893,573	3,719,280	17,570,644	24,717,533	3,283	30,913,204	74,603,934	26,155,548	19,452,524	31,599,594	48,811,464
Dominion	2,156,338	4,988,206	1,034,555	270,379	5,458,363	33	1,431,688	17,783,049	4,816,468	2,300,660	8,304,574	2,716,180
Standard	609,443	3,231,604	602,650	118,409	4,270,640	....	805,337	11,527,026	3,373,578	3,053,503	9,968,455	....
Can. Nationale§	929,290	1,882,600	1,782,780	398,621	4,843,422	229,147	1,117,221	20,451,792	13,216,003	1,766,432	6,415,532	500,000
Imperial	996,981	6,329,020	969,910	372,164	5,661,051	696,754	2,009,991	15,758,429	6,311,297	63,617	8,790,313	3,700,000
Weyburn Security	23,804	60,929	38,310	7,584	46,206	188,493	107,697	661,241	9,314	314,441	....	....
Total	64,005,002	112,820,117	16,663,697	24,228,102	100,871,263	4,763,891	72,789,190	343,313,924	124,087,959	60,769,703	139,068,541	245,193,882

NAME OF BANK	Other current loans in Canada $	Other current loans elsewhere $	Loans to Municipalities and to provinces $	Non-current loans $	Real estate other than premises $	Mortgages on real estate $	Bank premises $	Letters of Credit $	Deposit for note circulation $	In central gold reserves ** $	Shares of and loans to controlled companies $	Other assets $	Total Assets $
Montreal*	232,395,299	53,474,888	22,164,638	2,551,700	949,491	1,160,095	11,950,000	9,539,035	1,420,787	19,000,000	1,408,811	405,324	750,950,033
Nova Scotia	73,744,750	18,221,377	4,734,536	309,447	63,697	113,307	7,343,697	5,882,120	480,755	5,500,000	....	177,692	242,446,096
Toronto	49,026,569	....	2,617,844	189,675	....	210,738	3,509,834	1,540,227	256,775	3,055,866	....	....	109,668,084
Provinciale	15,442,099	....	1,835,165	140,280	444,390	92,966	1,804,478	10,410	158,400	550,000	....	231,912	46,973,372
Commerce	171,768,786	33,984,688	24,239,657	2,324,199	2,319,942	882,363	11,942,095	17,101,846	1,000,000	9,500,000	1,793,601	373,272	481,301,996
Royal†	191,799,481	153,130,820	8,712,439	2,591,223	2,240,424	1,339,809	14,380,773	30,926,150	1,245,000	16,000,000	2,480,365	492,346	738,442,581
Dominion	57,014,391	1,487,050	745,276	320,326	38,217	40,842	5,923,687	3,772,293	310,000	2,000,000	....	390,816	123,303,404
Standard	41,799,827	....	2,333,485	581,997	301,151	175,452	3,724,024	433,903	250,000	1,500,000	....	109,507	88,769,998
Can. Nationale§	59,116,164	1,101,792	6,258,290	189,672	1,049,420	1,021,876	5,529,355	564,952	280,965	6,900,000	....	228,956	135,774,471
Imperial	50,348,418	....	9,263,452	377,780	730,871	545,828	5,017,969	571,385	330,239	4,004,466	....	455,198	123,305,143
Weyburn Security	2,818,481	3,681	109,309	73,140	187,414	108,521	243,767	....	27,532	200,000	....	79,730	5,309,603
Total	945,274,265	261,404,476	83,014,091	9,649,439	8,325,017	5,691,797	71,369,679	70,342,321	5,760,453	68,210,332	5,682,777	2,944,753	2,846,244,781

**Of this deposit, $26,910,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank in Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidy of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, OCTOBER 9, 1926.

CANADA FINDING NEW MARKET FOR FLOUR IN BRAZIL

Cargo Shipment Directs Attention to South American Field

From Our Own Correspondent.

OTTAWA.—The shipment of the first full cargo of Canadian milled flour direct from a Canadian port to Brazil calls attention to the development of Canada's flour exports. During the war these increased heavily, and the growth was sustained until the post-war slump of 1920-21. This event hit Canadian flour export heavily and it took two or three years to recover the lost ground. With a peak crop in 1923 a new record was reached, and this has been fairly well maintained, although there has been a slight recession recently.

The export of wheat flour in the year in which the war broke out was 4,832,183 barrels. In 1918 this had reached 9,931,148 barrels, after which there was a slight falling off with a sharp decline in 1921 to 6,017,032 barrels. There was a rise of a million barrels the following year, but in 1923 the exports went up rapidly and totalled 10,227,060 barrels. In 1924, the peak figure to date was reached, namely 11,714,929. There was a slight recession in 1925-26, but the upward movement has again been resumed, and for the twelve months ending July of this year the total exports of wheat flour were 10,896,654 barrels.

The history of the exports to Brazil is interesting. Apparently the first considerable shipments to that country were 2,918 barrels in 1920. This figure fluctuated downward for a couple of years and then, in 1923, rose to 5,463 barrels. The following fiscal year ending with March, 1924, there was a rapid development up to 53,347 barrels. In 1925 exports dropped back to 30,313, but for the last fiscal year they rose again to 62,156. During the present fiscal year there has again been rapid growth, the shipments for the two months ending with May being 56,675 barrels as compared with 6,645 barrels in the same period last year and 2,933 barrels in the corresponding period the year before.

South American Markets

The full cargo shipment to Brazil directs special attention to our exports to South America and to other countries and islands of this continent south of the United States. The monthly report of the Department of Trade and Commerce contains details of flour shipments for twenty of these markets. The largest purchasers up to the end of the last fiscal year were Trinidad and Tobago with 251,626 barrels, while Jamaica was second with 228,603 barrels. In tabular form the relative position of these markets with a comparison covering two years, 1924 and 1926, is as follows:

Markets		1924	1926
Trinidad & Tobago	Brl.	272,083	251,626
	$	1,680,046	1,822,054
Jamaica	Brl.	211,154	228,603
	$	1,271,550	1,631,163
Cuba	Brl.	252,647	147,998
	$	1,463,811	1,118,198
Other B. W. Indies	Brl.	132,629	145,624
	$	853,359	1,095,638
British Guiana	Brl.	176,167	134,513
	$	1,090,857	991,640
Venezuela	Brl.	128,684	121,906
	$	715,436	915,425
Brazil	Brl.	53,347	62,156
	$	287,122	422,181
Barbados	Brl.	71,019	56,783
	$	427,419	420,457
Hayti	Brl.	66,726	53,177
	$	370,927	371,758
French W. Indies..	Brl.	8,362	25,988
	$	42,497	175,158
Bermuda	Brl.	17,155	23,575
	5	113,699	174,210
San Domingo	Brl.	25,714	14,167
	$	150,686	114,658
Panama	Brl.	14,863	14,174
	$	80,862	101,257
British Honduras ..	Brl.	4,880	12,192
	$	31,738	96,286
Guatemala	Brl.	319	7,300
	$	2,020	51,120
Costa Rica	Brl.	10,679	6,637
	$	58,262	50,246
Mexico	Brl.	18,084	2,925
	$	99,570	21,732
Dutch W. Indies...	Brl..	2,982	2,767
	$	16,002	17,714
Dutch Guiana	Brl.	6,861	2,184
	$	36,588	16,966
Colombia	Brl.	2,568	1,711
	$	14,887	12,653

It will be observed that Brazil stands seventh among these twenty countries. Among our markets as a whole Brazil stands twenty-fourth in point of the value of its purchases. It is a commonplace that the United Kingdom is easily first in this group, though its purchases of flour have been falling off rapidly in the last few years. Second position is held by Germany with China third, Norway fourth and Russia fifth. The leading American market south of the United States—or in fact not excluding the United States—is Trinidad and Tobago, which holds ninth place among the purchasers of our wheat flour exports. A comparison of the first twenty of our customers at large on the same basis as that of those in Central and Southern America is as follows:

Markets		1924	1926
United Kingdom ..	Brl.	4,234,084	2,791,646
	$	22,188,665	18,920,338
Germany	Brl.	1,986,826	1,528,516
	$	10,313,280	10,282,225
China	Brl.	504,923	1,087,024
	$	2,491,066	6,878,938
Norway	Brl.	456,495	435,631
	$	2,226,483	3,082,034
Russia	Brl.	4,180	370,427
	$	18,583	2,756,745
Newfoundland	Brl.	374,542	334,489
	$	2,412,063	2,665,126
Greece	Brl.	271,113	313,317
	$	1,406,736	1,997,204
Poland and Danzig	Brl.	318,427	238,894
	$	1,768,734	1,938,653
Trinidad & Tobago	Brl.	272,083	251,626
	$	1,680,046	1,822,054
Denmark	Brl.	296,122	252,563
	$	1,546,018	1,755,355
Netherlands	Brl.	249,034	241,852
	$	1,267,418	1,726,800
Jamaica	Brl.	211,154	228,603
	$	1,271,550	1,631,163
Irish Free State ...	Brl.	......	212,065
	$	......	1,525,821
Hong Kong	Brl.	371,842	191,474
	$	1,815,226	1,211,851
Finland	Brl.	238,747	168,676
	$	1,322,501	1,131,925
Cuba	Brl.	252,647	147,998
	$	1,463,811	1,118,198
Other B. W. Indes..	Brl.	132,629	145,624
	$	853,359	1,095,638
Egypt	Brl.	140,276	149,793
	$	743,964	1,005,012

British Guiana	Brl.	176,167	134,513
	$	1,090,857	991,640
Venezuela	Brl.	128,684	121,906
	$	715,436	915,425

The classification of our wheat flour customers made by the government statistician specifies fifty-eight countries. It is a pretty complete classification and includes all but a small part of the shipments. In fact, for the year ending March last, there were only 24,004 barrels for which the destination was not given; while in 1924 there were only 898 barrels in this group. The Central and South American countries and islands included in the first table above are scattered fairly well through our customers in order of volume purchased. The lowest on the list is Colombia, which holds fifty-second position among the fifty-eight countries for which particulars are given.

CANNERS SERVE BOTH PRODUCERS AND CONSUMERS

(Continued from page 17)

ulating price and supplies of this commodity. In 1924, the last year for which complete returns are available, the pack totalled 1,749,068 cases, with a value of $10,332,528. Incomplete returns for 1925 and 1926 show that the pack was well up to the high level set in 1924. A peculiar feature of the salmon runs in British Columbian waters is the manner in which unusually large catches come in four-year cycles. This has been noticed over a period of fifty years, but since 1913, with the exception of the years 1916 and 1921, while showing some variation, the pack has amounted to over 1,000,000 cases per annum. This consistency of production has enabled the fisheries companies to cut down their operating expenses to a large extent.

In the years 1923 and 1924 the salmon industry experienced some trouble in marketing the output, due to the dumping of large supplies of inferior quality of Siberian canned salmon on the English market, which brought about a reduction in price for superior grades. However, in the last two years there has been an increased demand in the United Kingdom for better quality salmon, as a result of the reaction from the poor grade Siberian product. In 1925 the pack was taken up long before it was ready at a higher average price level than in the preceding year.

The marketing outlook for British Columbia canned salmon is very favorable at present. The Australian Treaty with Canada, giving British Columbia preference at $1.50 per case, is a factor of importance in the situation. Foreign markets in general are better and good returns are looked for in the 1927 pack.

Next to the salmon canneries on the Pacific coast comes the lobster canning industry of Nova Scotia, New Brunswick, Prince Edward Island and Quebec. The growth of the industry in over fifty years is indicated by the output of the 502 factories operating in Canada, which in 1924 had a total pack of 102,118 cases worth $2,642,085. Sardine canning is on a relatively small scale and confined to the Province of New Brunswick. There is a considerable pack of canned fish of other varieties, the principal in 1924 being clams and quahaugs with 32,447 cases of the value of $243,011, pilchards, 14,898 cases worth $60,180, haddock, 4,383 cases worth $33,006, and small quantities of herring, crabs, scallops, trout and mackerel.

While the canning of fruits and vegetables is carried on most extensively on a commercial scale in those provinces where climatic conditions are favorable for growing of fruits and vegetables, there is a considerable volume of canning of such commodities carried out in farm and city homes. Government records, of course, only take cognizance of plants operating on a commercial scale, which, after all, probably does not represent more than half of the total output of canned fruits and vegetables. At the present time the principal fruits canned are apples, pears, plums, peaches, cherries, currants, goosesberries, strawberries, blueberries, apricots, loganberries, and raspberries, while the vegetables canned include tomatoes, corn, peas, beets, beans, carrots, pumpkin, squash, spinach and asparagus. The canning season begins in June and continues through the summer and autumn until October, being at its height in July, August and September.

In 1924 the pack consisted of 825,801 cases of fruits and 3,599,025 cases of vegetables of 48 pounds each and having a total value of $13,716,706. Tomatoes rank first in the number of cases with 1,271,296, beans being next with 946,213 cases, followed in order by peas with 698,089 cases, corn with 555,216 cases, pears with 306,973 cases, apples with 140,990 cases, peaches with 88,074 cases and plums with 63,465 cases.

Condensed and evaporated milk plants are located in all provinces of the Dominion, with the exception of the three Prairie Provinces. The majority of the plants in this industry are controlled by a half dozen companies. During the past ten years the number of factories in operation has not fluctuated to any extent, 24 being operated last year as compared with 20 a decade ago. On the other hand the value of production has shown some increase, but eliminating the year 1920, when prices were much inflated, the value of products has ranged from $13,000,000 to $14,000,000; the 1925 total being $13,453,472.

The canning of meats is another branch of this industry which, while not overly large, is capable of considerable expansion. At the present time it is considered as a branch of the great meat-packing industry and it is not as extensively carried on in Canada as are other sections of the canned goods group of industries, being more in the nature of a sideline to the main industry. The total value of canned meats manufactured in Canada during the calendar year 1924 was $840,182. Closely allied to the canned meat industry is that of canned soups, the manufacture of which in the period under review totalled $490,171.

Aerated Waters Output Was Best Since 1921

Production in the Aerated waters industry of Canada during 1925, amounting in value to $6,877,524, is the best recorded since 1921, according to a report issued by the Mining, Metallurgical and Chemical Branch of the Bureau of Statistics. Soda water and other carbonated beverages accounted for most of the production last year, the value of such being $5,731,217. Other products were as follows: syrups and fruit juices, $547,082; natural mineral water, $220,820; cider, $131,236, and all other products, $247,169. Cider was the only product to record a decrease in value of output as compared with last year.

There were 313 plants in operation during 1925, representing a capital investment of $10,673,331 and employing 1,684 persons to whom $1,849,254 was paid in salaries and wages. Compared with the previous year there was an increase of 17 in the number of plants, Quebec accounting for 8, Nova Scotia and Prince Edward Island 3, New Brunswick 1, Saskatchewan 4, British Columbia 1, and Manitoba 2, while Alberta registered a loss of 2.

CATTLE EXPORTS INCREASE

MONTREAL. — Total cattle exported from Canada in the first nine months of the current year amounted to 99,742 head, as compared with 94,950 head in the same period of 1925. So far this year 59,423 head have gone to Great Britain and 37,955 to the United States.

LIMIT IS PLACED ON SPECULATION IN GRAIN TRADE

Decision Made That Undesirable Class of Trading Must be Eliminated

At the instance of the Secretary of Agriculture, the Chicago Board of Trade, which is the seat of the principal speculative market in the grain trade, has put into effect certain amendments to its rules, which have been proposed with a view to limiting an undesirable class of speculation. A clearing system is being established which will compel prompt settlements between brokers, and it is thought compel them to reduce the credit extended to their customers. Whatever effect it has will be upon the class of traders who operate upon narrow margins, and it is agreed that restriction in this quarter will be wholesome, says the National City Bank Letter.

Another effort to limit violent fluctuations is made by creating a committee which will have authority to suspend trading if fluctuations exceed certain prescribed limits within a single day. A rule of this kind has been in force on the New York Cotton Exchange for some time. The efficacy of such a rule, however, must depend largely upon having the limitations conform rather closely to market conditions, for if such a rule hindered trading in wheat in Chicago the operators might be readily shifted to Winnipeg, and cotton trading forbidden in New York might be shifted to Liverpool, and in either case the action of the markets where business continued to be done probably would be more influential upon prices than the absence of trading in the markets that were closed. Efforts to control prices by the suppression of bonafide trading do not give promise of important results.

Unfortunately it is impossible to draft a rule distinguishing between legitimate speculation, which is trading by persons who give intelligent consideration to all the conditions which necessarily affect prices, and the kind of blind trading which follows a sensational movement of prices and tends to carry it to extremes. Traders of the former class play a useful part in marketing operations, while the latter simply muss up the situation, but the markets are open to everyone, and must be. Last year a prolonged rise of wheat prices brought into the market a lot of "trailers," who had been reading newspaper accounts of profits being made, and their buying carried prices to what is now known to have been an unwarranted level. When the break came, above $2 per bushel, there was a great outcry against the "short-selling," which was a factor in it, although the real offense against market stability was committed by the speculators who were responsible for carrying the price above $2. If it had not been for the short-selling, prices might have gone to $2.50, in which case the inevitable collapse would have been more disastrous.

Short-selling is the most effective influence for keeping bull speculation within bounds, and the fact that it is a menace to marginal traders ought not to count against it with people who wish to restrict the amount of marginal trading.

The value of "short-selling" in a speculative market has been evident in the New York stock market in recent weeks. It is generally agreed that the advance of stocks which has occurred in the last year has been a legitimate basis in the improvement in industrial and trade conditions, but it has been recognized that there was danger in the indiscriminate advance and that uninformed speculative buying might carry the movement too far. The strongest repression upon the market in recent weeks has been the activities of the "bear" element which operates by contracting to sell and deliver stocks which it does not own, but expects to acquire at lower prices. Much is said of the "immorality" of selling what one does not own, but the sale is simply a contract that a certain commodity or piece of property will be delivered upon agreed terms, and whether the seller owns it at the time or acquires it later is not in itself a moral question. A builder may contract to erect a house and be "short" to the extent of all the materials and labor to be used, without committing an offense against morals. The seller who contracts to deliver stocks or wheat without owning any at the time, puts himself in position where he must become a buyer. Hence in the long run under ordinary conditions he should exercise as much influence upon one side of the market as the other. If, however, the market is unduly high owing to a preponderance of "bullish" enthusiasm, the "bear" who sells "short" in the belief that prices will be lower, helps to check an advance which is going too far. His operations are a desirable counterbalance to bullish speculation. The market would be one-sided without him, and to put him on equal terms with the speculator for a rise he must be allowed to sell not only what he owns at the moment, but whatever he can properly undertake to deliver.

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